FINANCIAL TIMES

No. 26,911 Thursday March 4 1976 **10p

CONTINENTAL SELLING PRICES: AUSTRIA Sch.13; BELGIUM Fr.20; DENMARK Kr.2.75; FRANCE Fr.2.20; GERMANY DM1.70; ITALY L.300; NETHERLANDS Fl.1.50; NORWAY Kr.2.75; PORTUGAL Esc.15.00; SPAIN Pta.30; SWEDEN Kr.2.50; SWITZERLAND Fr.1.50

NEWS SUMMARY

GENERAL

Police kill two in Spain clash

Two people were shot dead and at least 20 injured when demonstrating workers clashed with Spanish riot police in the Basque town of Vitoria last night.

It was claimed that police had to open fire after being surrounded and threatened by demonstrators. Throughout the day, large forces of riot police had confronted workers who were answering a call for a general strike. Almost all factories were closed.

In Madrid, King Juan Carlos indicated that plans for a referendum on the constitution were being drawn up, but he also warned that he would take whatever special measures were necessary to protect the State. Back and Page 6

Death throes of Ulster Assembly

The Northern Ireland Convention was expected to close last night, but after six hours of talks it was not clear whether the assembly would be able to complete its business without continuing for a further day.

The Irish Parliament last night approved the Irish Government's share of Anglo-Irish legislation to block cross-border terrorist escape routes when a Bill to allow courts to try fugitive offenders for crimes committed on either side of the border was approved by 65-61 votes — the nominal majority of the Republic's coalition Government. Page 12

Plea on liberties by Jenkins

If human rights and liberties are to be safeguarded, Britain's system of government needs radical reform, Mr. Roy Jenkins, Home Secretary, told the International Press Institute in London yesterday. Mr. Jenkins also reiterated his support for curbs in public spending with a vigour that annoyed Left-wing MPs. Back Page. Editorial comment, Page 18

Coventry NW polls to-day

Voters poll in the Coventry North-West by-election to-day. Ladbrokes odds last night were: Labour 4-1 on, Conservatives 5-2, Liberals 100-1. Page 10

Iceland may hire warships

Iceland is considering buying or leasing motor torpedo boats and aircraft from Norway or other countries to strengthen its fishery protection fleet, Mr. Einar Agustsson, Foreign Minister, said in a Norwegian Press interview.

Algeria warned by Hassan

King Hassan of Morocco broadcasting on the 15th anniversary of his accession, yesterday told Algeria to stop interfering in the Sahara and warned that his army would repulse any attempt to threaten Morocco's territorial integrity.

Lassa alert

An American woman, who arrived in London at the weekend on a British Caledonian flight from Sierra Leone, is now in hospital in the U.S. with suspected lassa fever, one of the world's deadliest diseases. Lassa fever originates in West Africa where it is endemic in certain species of rat. The Department of Health is attempting to trace everyone who was on the British Caledonian flight.

Briefly . . .

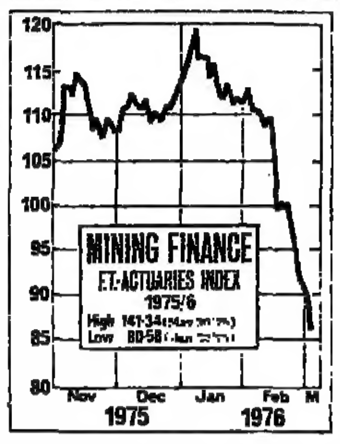
Mrs. Anne Armstrong, 49-year-old rancher's wife from the American West arrived in London last night to take up her post as U.S. Ambassador.

Robin Day has resigned from the National Union of Journalists, the chapel (office branch) of BBC TV journalists stated.

BUSINESS

Equities lose 4.4; Goldmines fall 9.7

● EQUITIES retreated on news from Rhodesia. Gold mines, South African issues and U.K. companies with African interests fell back. The FT 30-Share Index lost 4.4 to 402.7,



while the Gold Mines Index fell 9.7 to 164.0. African-orientated mining finance stocks were hard hit. The F.T.-Actuaries Mining Finance index has fallen 20.5 per cent. since February 12. Back Page

● GILTS rallied, with gains of ¼ in longs. Government Securities index rose 0.20 to 62.85.

● STERLING gained 5 points at $2.0245, while its weighted depreciation remained 30.1 per cent. Dollar's weighted fall increased to 2.62 (2.51) per cent.

● GOLD rose $1 to $132¼.

● LEAD rose [illegible] a tonne for cash metal in London. Page 31

● WALL STREET closed 6.29 lower at 975.83.

● SIR CHARLES VILLIERS, chairman of Guinness Mahon, has put forward a scheme for banks to receive Government support to provide cheap medium-term loans for industry. Back Page; FT Conference report, Page 10

Chrysler plans for the future

● CHRYSLER U.K. is to put forward a comprehensive plan for a simplified wages structure and a productivity agreement at its first meeting to discuss its planning agreement with the Government on March 15. Back Page

● NORTON VILLIERS sit-in at Wolverhampton is expected to end next week with signing of purchase documents by Mr. Ronald Titcombe, an Australian oil consultant. Page 11

● RESTRICTIVE trade practices law will be extended to advertising, road haulage, travel trade, estate agents, hairdressing and other commercial services on March 22. Page 10

● LOCKHEED payments controversy has led to the resignation of Mr. Hiro Hiyama, chairman of Marubeni, Lockheed's Japanese agent. Page 8

● PARIS BOURSE plans to have a partly-computerised dealing network, longer trading hours and a simpler quotation system. Page 23

● BRITISH AIRWAYS will use outside consultants to maintain IBM equipment and will go to IBM's competitors for £1m. worth of new equipment. Page 10

Lubok takeover

● MR. JIM SLATER will receive £427,000 for his 2.67m. shares in Lubok Investments, under an agreed £3.86m. takeover bid for the company from Lonrho. Back Page

● UNITED CITY Merchants first-half pre-tax profit increased to £1.21m. (£1.07m.) although turnover was reduced to £53.46m. (£77.99m.). Page 20

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Treasury 9½pc 1980	£95⅞	+ ⅝
Treasury 12½pc '93	£94¼	+ ⅞
Dawson (J.)	60	+ 6
HTV	69	+ 3
Nu-Swift Inds.	19½	+ 2½

FALLS		
Abercom	170	− 15
BSR	113	− 10
Barclays Bank	288	− 14
Barlow Rand	153	− 16
Black Arrow	14	− 4
Caird (Dundee)	40	− 4
Courtaulds	153	− 4
Dennis (J. H.)	45	− 5
Ema Wine	170	− 7
Gold Fields Prop.	30	− 5
Grindlays	31	− 4
Nat. Westminster	250	− 10
OK Bazaars	425	− 35
Pride and Clarke	145	− 10
Reardon Smith	210	− 80
Scot. Metrop. Prop.	86	− 5
Sheaf Steam	65	− 5
Smiths Inds.	147	− 8
Standard Chart. 'New'	22*	− 7
TCK	104	− 19
Anglo American	237	− 20
Anglo Am. Gold	£20¼	− 1½
Cons. Gold Fields	146	− 10
Coronation	50	− 18
De Beers Dfd.	195	− 5
East Driefontein	660	− 40
East Rand Prop.	250	− 65
Falcon	90	− 10
Joburg. Cons.	£11¾	− 1
Manguia	65	− 5
Palabora	600	− 50
Pres. Brand.	£13¾	− 1
Union Crpn.	245	− 20
Western Drie.	£21⅞	− 2¼

* Premium

Britain welcomes 'major step' in sanctions battle

Mozambique closes border with Rhodesia

BY QUENTIN PEEL

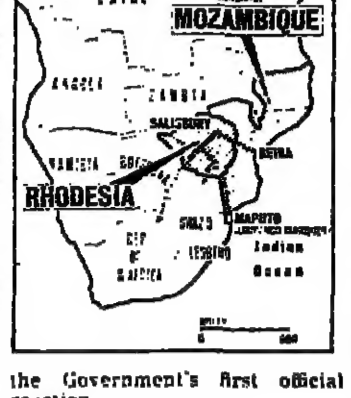
MOZAMBIQUE yesterday closed its borders with neighbouring Rhodesia, announced the imposition of full economic sanctions, seized all Rhodesian assets in the country and banned all communications between the two countries.

This follows the escalation of border incidents between the neighbouring States in which Rhodesian troops have crossed into Mozambique in "hot pursuit" of black nationalist guerillas.

In an emotional radio broadcast President Samora Machel called on Mozambiquans to dig air raid shelters, and said all production had been placed on a war footing. He accused Rhodesia of bombing border villages, and claimed his forces had shot down Rhodesian aircraft involved in the raids.

In Britain the decision was welcomed by the Government as a major step in the economic sanctions battle against the illegal white regime in Salisbury. But reports that the announcement constituted a full-scale declaration of war were discounted both in London and Salisbury.

In Rhodesia the move, which cuts the railway lines which carry an estimated 40 per cent. of the country's exports, was deliberately played down in



the Government's first official reaction.

President Machel's broadcast, made from the Presidential palace in Maputo (formerly Lourenco Marques), finally closes the Mozambique connection which has helped keep the Rhodesian régime economically afloat since its unilateral declaration of independence.

It is known that the decision to impose sanctions, which is likely to affect adversely the Mozambique economy as much as it hurts Rhodesia, was finally agreed at a meeting of the Presidents of Zambia, Tanzania, Mozambique and Botswana held in Mozambique in early February.

President Machel appealed to socialist nations for support, and ordered a total ban "on any form of communication with the territory controlled by the racist regime. The agricultural and industrial sectors are placed on a war footing."

He said Mozambique was being attacked by "Rhodesian troops who have killed and maimed men, women and children." He added: "Fighters of the Mozambique Liberation Army, you will defeat the enemy and crush the aggressor who is violating the peace."

Rhodesia last month launched a "hot pursuit" raid into Mozambique, and its forces killed 24 guerillas at their camp. President Machel identified the area as the village of Pafuri, on the south-east border, and claimed that the attack was an act of war. Rhodesian aircraft had crossed South African territory in the course of the attack, he said.

In London British Government officials said the imposition of sanctions by Mozambique is bound to have grave implications for Rhodesia. But an increasing amount of Rhodesia's exports have been diverted to the two remaining railways lines linking it with South Africa since Mozambique's independence last June. President Machel's move has been on the cards ever since his Frelimo movement took over the Government, but he has apparently not felt economically capable of carrying it out until now.

The closing of two rail lines to Beira and Maputo, will cut off one of Mozambique's most important sources of foreign exchange. But Commonwealth

Mozambique's 'war' against Rhodesia Page 7
Parliament Page 12
Editorial comment Page 18

Governments have promised Mr. Machel's administration up to £15m.

The principal Rhodesian exports hit will be agricultural crops and minerals, especially maize and chrome, which South African ports have up to now been unable to handle. Rhodesian exporters may have to decide their priorities for exports in the future, because there is doubt as to whether the remaining rail lines are capable of carrying all the goods which have been sent via Mozambique.

Whether Rhodesia can find an alternative route for its goods depends now on South Africa which finds itself in a serious dilemma. Relations between

Continued on Back Page

Big revisions in Price Code expected

BY ADRIAN HAMILTON AND WILLIAM KEEGAN

THE GOVERNMENT seems prepared to make major revisions to the Price Code for the next stage of the counter-inflation policy in July.

At a meeting of the National Economic Development Council yesterday, chaired by the Prime Minister, there were clear signs that the CBI, TUC and Mrs. Shirley Williams, the Prices Secretary, were moving towards a compromise deal to ease price supervisions in the interest of manufacturing investment.

The CBI retains its objections to the principle of the Price Code, and Mrs. Williams forcefully stated the Government view that price restraint would be needed "for a long time to come."

But the Government and both sides of industry were in accord yesterday on the need to induce a higher rate of investment in industry, provided that funds made available through changes in the Price Code went into new manufacturing plant and machinery.

What appears to be in the Government's mind is not just revision of the investment relief provisions in the Code—though Mrs. Williams believes these have been more helpful than the Code's critics maintain—but more far-reaching changes in the way prices are monitored.

Mrs. Williams is reported to have said that the Code should be stripped of some of the procedural burdens on companies applying for relief. Although no elaboration was made of this point, one possible route would be a move towards a system of referring certain major price changes in certain sectors, instead of the current practice, under which all large companies have to make blanket applications for any price changes.

Changes would also have to include relief from the current burden of profit reference level restrictions for companies undertaking new investment.

The CBI, while calling yet again for removal of price controls, repeated yesterday its recognition that some form of price supervision might be the necessary quid pro quo for pay restraint.

The TUC emphasised that it was not opposed to modification of the Code, provided it could be shown that the present system was inhibiting industrial expansion.

The Government's willingness to alleviate the burden of the Price Code on companies reflects its present preoccupation with industrial investment to ensure that manufacturing industry is not caught short of capacity in the next world economic upturn.

Mr. Denis Healey, Chancellor of the Exchequer, yesterday also put a lot of emphasis on the balance-of-payments constraints on the pace of U.K. economic growth in the short term.

While refusing to give precise estimates, a Treasury paper presented clearly implied that there would be no room for domestic reflationary measures. Despite the arguments by the TUC and Mr. Michael Foot, the Employment Secretary, for reflation when the balance of payments improves, the Treasury appears to see most of the scope for expansion in demand being taken up by exports and industrial investment.

Together with the CBI, it feels the export-led revival has now got sufficient impetus behind it to preclude the need for any artificial stimulus.

Such concessions as may be given in next month's Budget are likely to be concentrated on assisting industry through changes in advance corporation tax relief and the promised prolongation of stock appreciation relief.

Personal tax reliefs are expected to do no more than offset part of the extra revenue automatically accruing to the Chancellor as a result of the operation of fiscal drag.

The basic background to Mr. Healey's attitude towards the personal sector is conditioned by two points. Firstly, the belief that, while there is not much scope for increasing consumer spending yet, the reduction in real incomes has now largely taken place and is not likely to continue much further.

Secondly, a readiness to compensate wage earners through the tax system for negative effects on real incomes in the short-term precipitated by a low pay norm for Stage Two.

● Earlier in the meeting Lord Ryder, chairman of the National Enterprise Board, said he had now got his programme of counter-cyclical stocking of machine-tools under way.

A deal providing a loan of £5m. for this purpose had been negotiated between the NEB and one company, and the Board was considering applications from three other companies for as much as £20m. financing help. The finance is provided at commercial terms and is intended to help companies stock up on semi-finished machine-tools, which can then be sold when the revival is underway.

£ in New York

—	Mar. 3	Previous
Spot	$2.0254-0260	$2.0245-0250
1 month	0.60-0.54 dis	0.65-0.56 dis
3 months	1.32-1.26 dis	1.70-1.66 dis
12 months	6.37-6.27 dis	6.74-6.54 dis

New Companies Bill to strengthen position of auditors published

BY MICHAEL LAFFERTY, CITY STAFF

MEASURES considerably strengthening the position of company auditors and tightening the requirements on the filing of company accounts, with heavy penalties for default, are prescribed in a short Companies (No. 2) Bill given a first reading in the House of Lords and published yesterday.

The Bill deals with a number of matters, mainly of a technical nature, on which the Government believes legislation is now urgently needed.

A review of the whole structure of company law is still in progress. Central to this is the question of industrial democracy, which is being studied by committee of inquiry under the chairmanship of Lord Bullock.

The committee has been asked to report by the end of the year.

Securities

The Government is also studying the arrangements for the U.K. securities market and has been consulting interested organisations on this.

The Bill published yesterday requires an auditor who resigns to state in writing if there are circumstances connected with his resignation which should be brought to the attention of shareholders or creditors.

Where such circumstances exist, the auditor will be required to say what they are and a copy of his statement must be sent to shareholders and filed at the Companies Registration Office.

This provision is intended to deal with the situation of an auditor who seeks to avoid his responsibilities by resigning

News Analysis, Page 11
Lex Back Page

rather than qualifying a company's accounts or being in dispute with the directors.

The Bill also gives the retiring auditor the power to requisition an extraordinary general meeting of the shareholders to consider the circumstances connected with his resignation.

The directors of every company will have to prepare accounts for each reference period—normally one year—and lay a copy of these accounts before the company's shareholders as well as deliver a copy to the Companies Registration Office.

The directors of companies in default could be liable to a fine of up to £400 plus £40 for each day of default.

In the case of a public company the period allowed for delivering accounts will be seven months after the end of the reference period. For other companies it will be ten months.

Enforcement

Under the present law, companies are required to annex to their annual returns any accounts which have been laid before a general meeting during the year covered by the return. As a result, the Registrar of Companies cannot readily identify the date by which accounts should have been filed so that enforcement is very difficult. It means that companies can normally be investigated only when their accounts are long overdue.

It is thought that as many as 168,000 companies are behind with some aspect of their annual returns at the moment.

The Bill introduces an added sanction against defaults in filing accounts and other returns by giving the Secretary for Trade the power to apply to the court for an order disqualifying a person from acting as a director of a company for up to five years if he has been in default on three or more occasions.

There is also a new power intended to prevent foreign companies trading in the U.K. under a name which may be misleading—if it implies that the company is a bank when it is not, for example.

Such companies would be required to register the names they use under the Registration of Business Names Act.

The Bill requires companies to keep accounting records sufficient to give a true and fair view of the state of the company's affairs and to show and explain their transactions.

In the case of companies dealing in goods this includes statements of all stocktakings and statements of stock held at the end of each financial year.

The Companies (No. 2) Bill SO 65p.

Jackson surprises the pundits

BY GUY DE JONQUIERES — BOSTON, March 3.

FLUSHED with confidence after his unexpectedly decisive victory in the Massachusetts Democratic presidential primary, Senator Henry Jackson forecast to-day that he will carry next month's New York primary by a clear majority, and perhaps even by a landslide.

With almost all the Massachusetts ballots now counted, the results give Sen. Jackson 23 per cent. of the vote in a field of eight major and two minor Democratic candidates. His nearest rival, Congressman Morris Udall, of Arizona, received 18 per cent., while Governor George Wallace, of Alabama, and Mr. Jimmy Carter, of Georgia, won 17 per cent. and 14 per cent. respectively.

On the Republican side, President Ford, with 62 per cent., came in strongly ahead of his chief rival, Mr. Ronald Reagan, at 35 per cent., the rest of the votes being undecided. But since neither candidate campaigned actively here, the significance of the result is rather dubious and will almost certainly be minimised by Mr Reagan.

The strength of Mr. Jackson's performance is doubly surprising. In the first place, because the field was so large many pundits had predicted that the eventual winner might enjoy a margin of only one or two per cent. over his closest opponent.

Furthermore, Massachusetts has traditionally enjoyed the reputation as the most liberal state in America, and while Senator Jackson has tended to favour progressive social and economic programmes at home, his hawkish views on defence and foreign policy have caused him to be counted as a conservative.

During this campaign, his first primary this year, the Senator from Washington State also openly courted Governor Wallace's natural constituency by speaking out against court-ordered school "busing" to achieve racial balance.

Though he campaigned only briefly in Massachusetts, Mr. Carter's failure to attain his goal of finishing among the top three candidates has undoubtedly slowed the momentum he gained after winning last week's New Hampshire primary.

For Congressman Udall, yesterday's results can be described as satisfactory if not spectacular. After coming second also in New Hampshire, he is now well on the way to winning broader national recognition and consolidating himself as leader of the party's liberal wing.

It seems increasingly likely that his main rival, Sen. Birch Bayh of Indiana, who won a mere 5 per cent. of the vote yesterday, will withdraw and throw his support behind Udall.

After winning only 7 per cent. of the vote in Massachusetts, where his family ties with the Kennedy's has promised to help him, Mr. Sargent Shriver is also expected to retire soon. But Mr. Fred Harris, the populist candidate from Oklahoma, and Mr Milton Shapp of Pennsylvania, who won 8 per cent. and 3 per cent. respectively here, have vowed to carry on.

A conservative storms the citadel Page 5

ON OTHER PAGES

FEATURES

For latest Share Index 'phone 01-246 8026

هكذا من الأصل

LOMBARD

Ignoring all the warnings

BY C. GORDON TETHER

WHEN WILL they ever learn? Notwithstanding the fact that there are ominous signs that the Euro-currency market is drifting towards another crisis arising from the onward march of bankruptcy in the less-developed world, it is embarking on another great lending spree. And, at the same time, its protagonists are hard at work trying to head off the long-needed international move to curb its excesses with the help of highly dubious arguments about its "non-reponsibility" for the global inflation explosion.

The latest warning about the threat to international financial equilibrium posed by the acute payments malaise of the Third World was delivered by M. René Larre, general manager of the Bank for International Settlements, when he pointed out a week or so ago that many developing countries which had borrowed to bridge their payments gaps were now in danger of having to default on the resulting indebtedness. And it is the most significant yet.

For no institution has a greater awareness of the extent of the involvement of the Euro-currency market in the debts that are now pressing so hard on the more vulnerable developing countries and which, therefore, a series of major defaults could mean for it.

A diversion

Considerable efforts are being made at the moment to divert attention from the gravity of the situation by providing developing countries that have effectively become internationally bankrupt with sufficient relief from their commitments to enable them to avoid having to declare themselves so.

But, as the difficulties encountered by some of these camouflaging operations show, it is highly unlikely that the truth of the matter can be concealed in this way for long. And it is as well to recognise that so many developing countries are coming near to convincing themselves that they are entitled to a moratorium on their international debts that there is a very real possibility that, once set in motion, the default process would rapidly escalate.

Indeed, the proposition that the present plight of the Third World is to a large extent the result of the bad deal it has been meted out by the affluent countries has found expression at recent meetings of developing countries in a demand for a general moratorium.

Remembering that the Euro-currency market may also have other "default" crises on its hands before long as a result of its deep involvement in the much-troubled tanker business, this would seem to be a moment when it should be adopting a cautious attitude on all fronts. Yet the latest surveys carried out by the IMF and the BIS both show that, up to quite recently, it was striking a highly expensive note.

Moreover, far from being prepared to recognise that, in one way and another, the market's excesses have played such a major part in generating the serious financial problems the world is having to grapple with to-day that there is a strong case for subjecting it to international control, its practitioners use every means they can to whitewash it.

Cause & effect

The latest example is to be found in the February issue of the monthly review of the First National City Bank, one of the most active American participants in Euro-currency traffic. "The rapid growth of the Euro-currency markets has been blamed," it says in an opening gambit, "for the recent tide of inflation in the industrial countries." But, it then goes on to tell us as though there was not the slightest doubt about it, a look at the numbers shows that the charge is ill-founded.

In the event, the evidence provided by a look at its version of "the numbers" turns out to be very tenuous indeed. It admits that there is a close connection between the expansion of the world money supply and the pace of world inflation. But it then seeks to demonstrate that the phenomenal growth of the Euro-currency market cannot be held responsible for the present global inflation because it accounted for only a relatively small part of the total increase in the money supply during the relevant period.

But this is a matter wherein it is essential to attach much greater importance to the relationship between cause and effect than this exercise does. Much of the considerable increase in the national element in the world money supply during the past few years is attributable to the need to keep the community adequately supplied with cash once inflation had got into its stride. The responsibility in the matter of Euro-currency market excesses consists in the fact that they played a part of the greatest importance in priming the global inflation pump in the first place.

RACING — BY DOMINIC WIGAN

Wayward Scot looks best

SKYRNE, WAYWARD SCOT, *Perambulate* and *Moonstone Lad* are among the runners for to-day's highly competitive Surrey Novices' Chase (3.00) at Lingfield and backers seem likely to have a tricky time sorting out the various form lines.

My idea of the probable winner is *Wayward Scot*, a seven-year-old Jock Scot gelding trained by Fred Winter for Mrs. Betty Stein.

Wayward Scot, who opened his account for the season with an eight-length victory over De Bergerac in a Sandown novices' hurdle at the end of October, has since added to his winnings with a second-placed effort in a similar event at Newbury, and with two comfortably gained victories over fences at Ascot.

In his last race, the valuable two-mile Sapling Novices' Chase, Wayward Scot almost certainly put up his best performance to date. Always travelling smoothly and well within himself, the Uplands seven-year-old forged clear from half-way and gradually opened up a good lead over Grangewood Girl which he held to the line.

Skyrne, normally the safest of jumpers, came down when leading at the fifth in that Ascot race, and it is anyone's guess how he would have coped with the winner. However on his running with Grangewood Girl in the Scilly Isles Novices' Chase at Sandown a month ago, Skyrne would not have beaten Wayward Scot.

LINGFIELD
2.00—The Assassinator
2.30—Frozen Saint***
3.00—Wayward Scot**
3.30—Watafella
4.00—Tudor Risk
4.30—The Stuartstan

LUDLOW
3.15—Master Upham*
3.45—De Musset
3.15—Eastern American
4.45—Kirwaugh

In what promises to be a fine spectacle, I take the progressive Wayward Scot to win at the main expense of Skyrne and Stan Mellor's possibly underrated Faust gelding, *Moonstone Lad*, a respectable third behind Zongalero and Tex at Wolverhampton recently.

Few trainers have their strings in better form at present than Josh Gifford, and many backers seem sure to side with his consistent chaser, *Flying Orchid*, in the Felcourt Chase, 2.30. Although this improved chaser, a clever winner at Towcester before decisively disposing of Hinterland in Warwick's George Coney Challenge Cup a fortnight ago, seems sure to go close, I doubt him conceding three lbs to *Frozen Saint*, who created a shock at Plumpton on February 23 when beating The Pilgarlic at odds of 25-1 in the Three Bridges Chase.

There is a disappointing turnout for the feature event for the Forbra Gold Challenge Cup (3.15) at to-day's other meeting, Ludlow. With Mr. Snowman, Yanworth, Golden Batman and Greek Ancestor all withdrawn at the final declaration stage, only four—Mickley Seabright, Sixer, Naval Power and Master Upham—remain. The last-named, a chestnut son of The Bo'sun, ran out an impressive winner when outpacing Just the Job and Moon Trip at Huntingdon recently, and he seems likely to follow up. Later in the afternoon *Eastern American*, a good second to Klonk at Taunton last month, is taken to gain an overdue success in Division II of the Bromfield Novices Chase (4.15).

SALEROOM — BY ANTONY THORNCROFT

Revival seen in fine arts

THERE WAS nothing exceptional on offer in the London salerooms yesterday but there was no lack of buyers, and prices were at the top end of the pre-sale forecasts, suggesting that the revival in fine arts is particularly strong in the middle-priced market.

Christies', for example, sold English and foreign silver for £84,030, with a good attendance of dealers. A set of four George III octagonal entree dishes and covers by Paul Storr set the tone, going to Partridge Fine Art for £4,000, as against the £2,500-£3,000 estimate.

A pair of George III two-light candelabra by William Cafe, dated 1761, was bought for £3,000. There were some good prices paid for Portuguese silver, with a pear-shaped tea kettle and stand made in Lisbon around 1760, fetching £2,700.

Among other top prices were the £2 500 from Bloomstein for a George III two-handle circular soup tureen, cover and stand, by Andrew Fogelberg and Stephen Gilbert; £2,300 from Koopman for a George II two-handled soup tureen and cover; and the same price from a private buyer for a George IV silver gilt cylindrical tankard.

The biggest total of the day was at the stamp auction of Warwick and Warwick which fetched over £95,000. A rare French Il-de-France' Fr.10 or Fr.1.50 surcharge sold for £2,2000, and a similar 90c. surcharge sold for £1,500. A British £5 orange of 1882 was bought for £800. At Glendining a medal sale made £53,164, with a peak price of £3,300 from Hayward.

The better market for water-colours, discernible at Christie's on Tuesday, was reinforced at Bonhams yesterday with a sale which totalled £13,227. Sir William Russell Flint's nudes remain very popular, and one sold for £2,300, while a nude study in black crayon was bought by Waterloo Fine Arts for £680. *The Market Place, Grantham*, by Louise Rayner sold for £520.

Sotheby's, at Belgravia, also had a very successful sale. There was little to stir the blood in the English furniture and European clocks and bronzes on offer but the saleroom was packed, especially with dealers, and prices often beat their forecast. For example, the top price was £1,900 for a late 19th century mahogany and satinwood marquetry cylinder bureau, signed by Wright and Mansfield, which had been expected to go for between £700-£1,200.

A mid-19th century satinwood bookcase fetched £1,050, and a French gilt bronze and porcelain mantel clock of around 1870 made £880 (forecast £300-£500). Many of the items will probably be exported and the auction totalled £25,895 with only one lot unsold.

At Sotheby's main Bond Street saleroom there was a modest sale of paintings which totalled £23,623. The Hazlitt Gallery paid £2,000 for a set of four ceiling decorations, showing the continents, by Edouard Charlemont, while Roy Miles acquired an English Provincial School pair of paintings, of a King Charles Spaniel and a bitch with puppies for £630.

TV/Radio

† Indicates programme in black and white.

BBC 1

7.05 a.m. Open University. 9.41 For Schools, Colleges. 12.15 p.m. On the Move. 12.45 News. 1.00 Pebble Mill. 1.45 Trumpton. 2.00 You and Me. 2.15 For Schools, Colleges. 3.30 The 60, 70, 80 Show. 3.58 Regional News (except London). 4.00 Play School. 4.25 The Wombles. 4.30 Jackanory. 4.45 Blue Peter. 5.10 John Craven's Newsround. 5.15 Stories Round the World.
5.45 News.
6.00 Nationwide.
6.45 To-morrow's World.
7.10 Top of the Pops.
7.40 Happy Ever After.
8.10 When The Boat Comes In.
9.00 News.
9.25 The Good Old Days.
10.10 The World Figure Skating Championships.
10.40 Omnibus.
11.35 To-night.
12.10 a.m. Weather / Regional News.

All Regions as BBC 1 except at the following times:—

Wales—1.45-2.00 p.m. Chigley. 5.15-5.40 Bilidowcar. 5.40-5.45 Crystal Tipps and Alistair. 6.00-6.45 Wales To-day. 6.45-7.10 Heddiw. 9.25-10.55 Merch Gwern Hywel by Saunders Lewis. 10.55-11.05 It's a Small World. 11.05-11.35 World Figure Skating Championships. 12.10 a.m. News for Wales.

Scotland—9.41-10.01 a.m. For Schools. 6.00-6.45 p.m. Reporting Scotland. 11.05-11.30 Bonn Comhraidh. Talking Point (North and North-West transmitters only). 12.10 a.m. News Summary for Scotland.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-6.45 Scene Around Six. 11.00-11.30 Two Million Pounds the Field: Galway Races 1975. 11.30 News and Weather for Northern Ireland.

England—6.00-6.45 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West from Plymouth).

BBC 2

6.40 a.m. Open University.
11.00 Play School.
5.00 p.m. Open University.
7.05 Avventura.
7.29 Weather.
7.30 Newsday.
8.10 A Portrait of Richard Marsh, Chairman of British Rail.
9.00 Midweek Cinema: "Moulin Rouge," starring Jose Ferrer.
10.55 Film Night: Richard Fleischer in conversation with Tony Bilbow.
11.20 Newsnight.
11.25 Closedown: Peter Jeffrey reads "The Snow Fences" by Charles Tomlinson.

LONDON

9.30 a.m. Schools Programmes. 12.00 The Laughing Policeman. 12.10 p.m. Rainbow. 12.30 Money Wise. 1.00 First Report: News, FT index. 1.20 Lunch-time To-day. 1.30 Crown Court. 2.00 Good Afternoon. 2.30 Couples. 3.00 Moody and Pegg. 3.55 General Hospital. 4.25 The New Land. 5.20 Indoor League Championship of Champions.
5.50 News from ITN.
6.00 To-day.
6.35 Crossroads.
7.00 The World at War.
8.00 Bless This House.
8.30 Clayhanger.
9.30 This Week.
10.00 News.
†10.30 Thursday Star Movie: "The War Lover," starring Steve McQueen.
12.30 a.m. Crime Gentlemen, Please.

All ITV Regions as London except at the following times:—

ANGLIA

ATV MIDLANDS

BORDER

CHANNEL

GRAMPIAN

GRANADA

HTV

SCOTTISH

SOUTHERN

TYNE TEES

ULSTER

WESTWARD

YORKSHIRE

RADIO 1 — 247m

(S) Stereophonic broadcast

RADIO 2 — 1,500m and VHF

RADIO 3 — 464m, Stereo & VHF

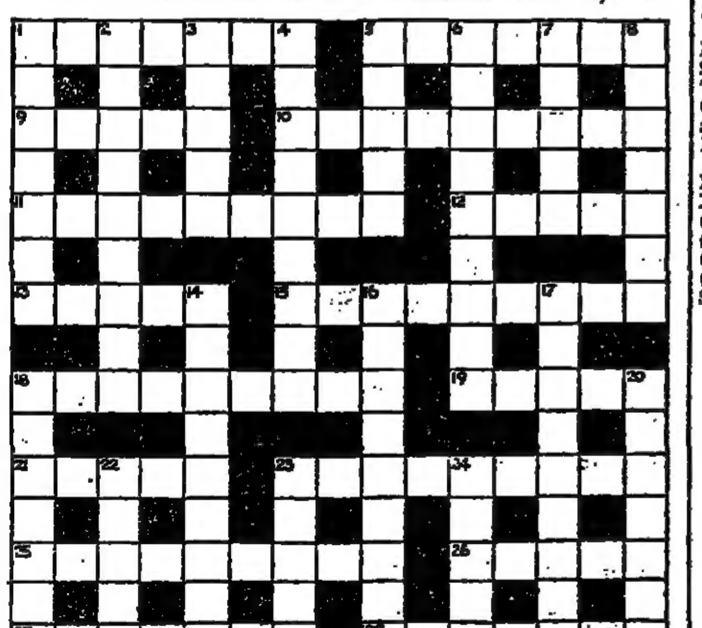
RADIO 4 — 434m, 330m, 285m and VHF

BBC Radio London — 206m and 94.9 VHF

London Broadcasting — 261m and 97.3 VHF

Capital Radio — 194m and 95.8 VHF

F.T. CROSSWORD PUZZLE No. 3,021



ACROSS

1 From foreign country Sarah reaches Reading (7)
5 Difficulty with t' foreign currency (7)
9 Be niggardly with captain going round Maidenhead (5)
10 Administrative area offering conditional release to one Scots town (9)
11 Timely work on wine by one in France (9)
12 Place of course linked with Derby (5)
13 Loving to enclose right fern leaf (5)
15 I am according to notes domineering (9)
18 Wide of the mark going with sailor to win (3, 6)
19 Follow Cockney female and take action (5)
21 Daughter joins Russian boy on couch (5)
23 Wrinkles that give a bird some standing (5, 4)
25 Beat friend (mine) before tea break (9)
26 Novel girl who was forever signalling caution (5)
27 Countryside observed they say on railway (7)
28 He steps out of way before horseman (7)

DOWN

1 Leave when attack cancelled (4, 3)
2 Mac joins artist in demonstration (9)
3 Police chief gets extra in Hollywood (5)
4 Hard work for the Socialists (9)
5 String I went to twist (5)
6 Oil supplier with many branches (5, 4)
7 Happiness of English composer (5)
8 Smoke is alien to Arctic people (7)
14 Waste conductor with trousers of this kind (9)
16 Female sponsor puts Irishman right on one ship (9)
17 Suitable location for the rest of the natives (6, 3)
18 Complex character from the Greeks (7)
20 Burglar takes tern ere it changes (7)
22 Pound put in flower-pot during dance (5)
23 Cleaner youth leader becomes cautious (5)
24 Way to ventilate step (5)

Solution to Puzzle No. 3,020

ENTERTAINMENT GUIDE

OPERA & BALLET

THEATRES

CINEMAS

ART GALLERIES

CLUBS

WINDMILL THEATRE. 437 6312. PAUL RAYMOND presents LET'S GET LAID. Twice nightly at 7.00 and 9.00. 2nd SENSATIONAL YEAR.

GARGOYLE. 69, Dean St., London. STRIPTEASE FLOORSHOW SEX UNLIMITED. Show at midnight and 1 a.m. Monday-Friday. Closed Sats. 437

CONTRACTS AND TENDERS

SCOTTISH DEVELOPMENT DEPARTMENT
LONDON-EDINBURGH-THURSO TRUNK ROAD A9
NORTH OF CALVINE TO REGIONAL BOUNDARY

The Secretary of State for Scotland proposes to invite tenders from experienced contractors for the construction of the above section of Trunk Road some 80 kilometres north of Perth extending from North of Calvine to the Regional Boundary on the London-Edinburgh-Thurso Trunk Road (A9).

The construction is of approximately 10Kms. of grade separated dual carriageway and 11Kms of single carriageway in either flexible or rigid pavement in exposed country up to 430 metres above sea level. The scheme includes the construction of 16 reinforced concrete bridges and also mass concrete retaining walls; the excavation of approximately 1,890,000 cubic metres of material 1,370,000 cubic metres of which are to be placed in embankments. Also included are side road connections, drainage and other ancillary work. The estimated cost of the works is £12.5m.

Subject to the completion of statutory procedures it is hoped to issue the contract documents in April 1976 and the contract period will be 30 months.

Contractors wishing to be considered for inclusion in the list of firms to be invited to tender for this contract should apply to The Secretary, Scottish Development Department, NGR Building, 2 Roseburn Gardens, Edinburgh EH12 5NJ not later than March 26, 1976, quoting reference NGR/195/1. Thereafter, invitations to tender will be extended to selected contractors and the necessary tender documents and drawings will be issued by Messrs Freeman Fox & Partners, Consulting Engineers, 4 Drumsheugh Gardens, Edinburgh EH3 7QJ stating when the tenders are to be returned.

The intention is that tendering should be restricted to firms of proven capacity and experience who at the time will be in a position to submit genuinely competitive tenders. Contractors who because of other commitments or for any other reason, do not apply to be considered for these works will not in any way prejudice their eligibility for consideration for future similar contracts.

This scheme has also been advertised through the medium of the Official Journal of the European Communities.

A. G. McKEE & CO.
on behalf of
YACIMIENTOS PETROLIFEROS FISCALES BOLIVIANOS

INTERNATIONAL PUBLIC LICITATION NO. 18

PURPOSE: Supply and/or leasing with option to buy: large crane 100-ton capacity; mobile cranes 30,000, 70,000 and 90,000 lb. capacity, telescopic boom—for a refinery at Cochabamba, Republic of Bolivia.

OPENING OF BIDS: On April 14, 1976 at the below-mentioned offices, at 11:00 a.m. The bids will be received until that date and time.

PRICE OF SPECIFICATIONS AND BIDDING CONDITIONS: U.S. $50.00 or its equivalent.

INTERNATIONAL PUBLIC LICITATION NO. 19

PURPOSE: Supply of pick-up trucks, flat trucks 5-ton load capacity, flat trailers, motor buses (all vehicles should be regular gas engine driven) for a refinery at Cochabamba, Republic of Bolivia.

OPENING BIDS: On April 13, 1976 at the below-mentioned offices, at 11:00 a.m. The bids will be received until that date and time.

PRICE OF SPECIFICATIONS AND BIDDING CONDITIONS: U.S. $30.00 or its equivalent.

BID BOND: 0.5% of the amount of the bid.

INQUIRIES AND DOCUMENTATION: Inquiries may be made and specifications and bidding conditions may be secured at the offices of A. G. McKEE & CO. ARGENTINA, S. A., Hipolito Yrigoyen 440, 8th floor, Buenos Aires, Argentina.

VALIDITY OF OFFERING: Ninety days following bid opening date.

FINANCING: By the BANCO INTERAMERICANO DE DESARROLLO (INTERAMERICAN DEVELOPMENT BANK), in accordance with Contract No. 225/OC-BO with the Government of the Republic of Bolivia.

COMPANY NOTICES

THE COLNE VALLEY WATER COMPANY

NOTICE IS HEREBY GIVEN that the One Hundred and Fifty-first Ordinary General Meeting of the Stockholders of the Company will be held at the Principal Office of the Company, Blackwell House,

ELDER SMITH GOLDSBROUGH MORT LIMITED

NOTICE IS HEREBY GIVEN that the Board of Directors has declared an Interim Dividend of 4 per cent, being 4 cents per share on the Paid up Capital of the Company, payable on 7th May, 1976.

The Registers of Members and Transfer Books will close at 5.00 p.m. on 2nd April, 1976 for the purpose of determining entitlements to the Interim Dividend.

By Order of the Board.

PUBLIC NOTICES

PERSONAL

PERSIAN RUGS SALE

Large quantity flood damaged stock. Selling 50% below normal price. Some drying completely without stain. Numerous tribal and village rugs, including Bokhara, Tabriz, Afghan, Kashan etc. Various sizes. Warehouse near Victoria Station. Open Friday 5th 7 p.m.-9 p.m. Saturday 6th 11 a.m.-7 p.m. Sunday 7th 11 a.m.-1 p.m. 01-834 0474.

Greenwich Theatre

The Bells

by MICHAEL COVENEY

Justifying his naturalistic performance of *Le Juif Polonais* in the 1880s, the great French actor Coquelin is reported to have commented on Irving's more intense, romantic reading of the part in Leopold Lewis's re-write: "Irving *would* have been arrested twice a week; my innkeeper would never have been detected."

Irving is reckoned to have revolutionised overnight the style of melodramatic acting with his portrayal of Mathias, hounded to conscience-stricken death by guilt, the ringing of the murdered Jew's sleigh bells and the marvellous, Dostoevskyan reconstruction of the crimes in a fevered dream. Freddie Jones steers what one might infer to be a middle course between Coquelin and Irving, presenting a thoroughly credible picture of an esteemed burgomaster, full of upright dignity yet subject to what must seem to those around as weird mind-storms.

The strangest of these attacks comes when, having hurried through the marriage contract between his sweet daughter, Annette (Morag Hood), and the French soldier, Christian (David Horovitch), he disrupts the wedding dance on a perverted impulse. The tintinnabulation of the bells, bells, bells, inside his head is extended, with full theatrical bravura, to a large statement of inner anguish, rather like the device of the ghost in Shakespearian tragedy.

This prepares us for the dream-trial in which Mathias re-lives the crime, and Mr. Jones achieves one splendid effect by expressing huge relief at what he takes to be the Jew's departure before he has had a chance to murder him. But even in the dream, he is betrayed by what really happened and the bells come jangling back into earshot. Through the agency of a Parisian mesmerist (Bob Hornery), he suffers a dream within a dream, and the household bursts in upon the dying burgomaster, suffocating after an unreal vindication of a real deed.

Mr. Jones's performance is riveting from start to finish, beautifully plotted and gathering power as his private hysteria reaches boiling point. But it needs a firmer production than that provided by Eric Thompson to gain its total effect. Mr. Thompson seems undecided as to whether he should understate the early scenes of plotting or guy them with tricksy lighting and heavy, obvious playing in the smaller parts. He settles on the latter course, and although Nick Chelton's lighting works very well for emphasising Mathias's paranoia in contrast to the normal stage picture, only the resolution of the chief actor prevents the whole project from collapsing in a heap of tasteless whimsy.

The trial scene, however, is well staged, Mr. Jones sweating it out in downstage isolation with the forces of justice, family and friends ranged in a forbidding, ethereal line behind a moving scrim.

As a curtain-raiser, the company are given a feeble concert party scenario within which to deliver, with varying success, some Victorian chestnuts of verse and song. To be enjoyable, this sort of nonsense needs to be executed with as much precision and affection as practised at the Players' Theatre in Villiers Street. Last night, paying customers could have been forgiven for fleeing the premises at the interval and being unjustly deprived of Mr. Jones's interesting performance.

Soho Poly

Free Chicken Dinners

by MICHAEL COVENEY

Andy Smith's lunchtime play gives the effervescent Ken Morley a chance to do his Groucho Marx impression; Groucho as Caesar is attacked in the Capitol by two thinly disguised intergalactic chickens, one of them blessed with the lines of Cassius. How this final interlude quite connects with the rest of the muddled brew I fail to perceive, but I accepted it with huge relief after a stream of coyly alliterative nonsense involving the astral dodgers' quest for the One True Faith in the slipstream of some hideous global fall-out.

The author, dressed as a white bunny rabbit, sits at a piano and warns us that things are about to change. Not for the better, apparently. For he is soon accompanying the three japesters (Mr. Morley, Nigel Gregory and David Stockton) in floods of purple verbiage and images of animal destruction. Direct, comprehensible methods of address are spurned except when Mr. Morley draws on his gift for pantomime fooling and audience harassment.

This is the sort of unambitious, self-indulgent nitwittery that is harmless enough and even welcome should you require no more than to see the cast happily giggling amongst themselves. If this is the alternative, then we really *should* be worried about the state of the West End. The title does not mean that the excellent snack lunches are being given away free—cheap, certainly, and compensation, almost, for the on-stage frolics.

Bishopsgate Hall, EC1

Miklos and Judit Szenthelyi

The City Music Society, whose Tuesday lunchtime concerts invariably bring forward worthwhile rising musicians, this week offered a first London platform to Miklos Szenthelyi, a 24-year-old Hungarian violinist, accompanied by his sister Judit. Mr. Szenthelyi is a thoroughly schooled player with a clear, pure, easily formed tone, almost always finely centred — the opener in an all-Brahms recital, the FAE Scherzo movement, found its only few rough edges—and studily projected. In the four Hungarian dances that ended the concert (one an encore) the sound was invigorating, filled with spice, attended by a fiery rhythmic drive that was well caught and echoed by Miss Szenthelyi. Memories of performances by politer, more civilised violinists were quite banished.

In the D minor Sonata (Op. 108) earlier on, there was a less complete matching of technique to music. Though the phrasing was broad, it was also unbending. The players seemed to have difficulty in catching at the continuity of the music, reacting only to the vigour climaxes and racing through their preparation. There was also a distinctly un-winning refusal to respond to the emotional warmth of Brahms' richly layered textures, a sternly unsmiling demeanour during one of his tenderest and simplest slow movements. Miss Szenthelyi was sometimes the more sympathetic musician, but often the less steady technician—there were some wild sounds from the piano in the final pages of the sonata. Both players needed to form a solider, more thoroughly considered view of the composer.

MAX LOPPERT

'Housewife-Superstar' for Apollo

Barry Humphries will star in *Housewife-Superstar!!!* at the Apollo, opening for an eight-week season on Tuesday, March 16. There will be a gala late night opening on March 16 at 11 p.m.; subsequent performances will begin at 8.30 p.m.

Housewife-Superstar!!! is written by Barry Humphries and produced by Michael White.

Luigi Alva and Teresa Berganza in the production of 'La Cenerentola' by the company of La Scala, Milan, at Covent Garden last night. Ronald Crichton will review this in to-morrow's paper

Leonard Burt

Record Review

Visitors to Italy

by RONALD CRICHTON

Mozart Lucio Silla. Augér, Varady, Mathis, Donath, Schreier, Krenn / Salzburg Radio and Mozarteum Choirs, Mozarteum Orchestra/Hager. 4 *records in box.* BASF 7822472 (£11.75).
Berlioz Harold in Italy. Imai/ LSO/Davis. Philips 9500 026 (£3.10).
Berlioz Symphonie fantastique. Berlin PO/Karajan. DG 2530 597 (£3.25).

Mozart's *Lucio Silla*, the last of his works for the Italian stage, though by no means his last Italian opera, was written in haste for Milan in November and December of 1772. The commission was the reason for this third and final visit to Italy, at the age of only 16. *Silla* was not given again in Mozart's lifetime, though his sister-in-law Aloysia Weber is said to have been fond of singing Guinia's arias. There have been a few revivals in the present century (the booklet for this recording does not mention the Camden Festival production of 1967, conducted by Charles Farncombe, with Margaret Curphey as Cecilio, and an English translation by Andrew Porter). Now that *opera seria* is being reconsidered, and Mozart's return to the genre at the end of his life in *La clemenza di Tito* restored to favour, attention is bound to be directed again to this youthful example.

Enthusiasm is better than lukewarm response. All the same, the introductory note by Gottfried Kraus pitches expectation too high. As the Camden production proved, *Lucio Silla* stands up to revival, more for the quality of individual arias than for sustained dramatic viability. But to describe the work as "an operatic masterpiece of unusual character" is going a bit far. Mozart certainly achieved a great deal under unpromising circumstances. The arias were written swiftly, as the singers arrived in Milan and were tried out by Mozart. They included the castrato Rauzzini, who sang Cecilio, and the soprano Anna de Amicis, an old friend, for whom he wrote Giunia's impressive music. But the first tenor was ill and had to be replaced by a church singer incompetent on the stage, so Silla's arias were reduced to two and kept relatively simple.

Gamerra's libretto, about the Roman general Lucius Cornelius Sylla, who at the end performs acts of manifold clemency worthy of Titus in the later opera, is uninspiring in spite of touches from the august hand of Metastasio. Nevertheless there was enough to kindle Mozart to some exciting, beautiful, often highly ornate vocal writing. The scene in the vault where Giunia, upon whom Silla intends to force marriage, is unexpectedly reunited with her betrothed, the proscribed senator Cecilio, has strong atmosphere. There are some fine accompanied recitatives and one or two arias which score by their concision—as Mozart came to realise during his operatic career, he tended to make his arias too long for the dramatic situation and often—but not always—does so here.

For the solo singing this recording, a co-production of BASF, the Austrian Radio, and the Mozarteum at Salzburg, may be highly recommended. Anyone seriously interested in Mozart and in 18th century opera will want *Lucio Silla* anyway. Others should be warned that though the arias give great pleasure, there is a deal of *secco* recitative about matters of much less interest than, say, *Figaro* or *Don Giovanni* dully accompanied on the harpsichord by the conductor, Leopold Hager. With the Mozarteum Orchestra Mr. Hager's touch is light and sure — the scoring, for a composer of such tender age, is amazingly assured, not least so in the arias with accompaniment for strings only.

Cecilio the banished senator and his friend and fellow-conspirator Cinna are both breeches parts. Silla has a sister, Celia, and a confidant, Aufidio, which makes four sopranos and two tenors—no low voices. Except that Edith Mathis (Cinna) and Helen Donath (Celia) sound alike at first, there is enough contrast between the women's voices to prevent monotony. Giunia is Arleen Augér, who has become a Mozart soprano of real distinction, with tone of exquisite gentleness. Julia Varady, who made a deep impression in the Scottish Opera *Alceste* at Edinburgh two years ago, sings Cecilio with attractive, smouldering fire, though the technical demands of the music try her hard.

Miss Donath is her reliable self. Miss Mathis grows increasingly assured after a cold start, and she is the only member of the cast who deals stylishly with the *secco* recitative. Peter Schreier's Italian is frankly ugly, and though he sings Silla's arias more than adequately he does not altogether reveal himself as the accomplished Mozart tenor we know him to be. The booklet (beautifully printed) includes a quadrilingual libretto. The English translation, bristling with thee's and thou's, seems to have been made not from the original Italian but from the German version, the stage direction *parte* (meaning exit, *geht ab* in German) being unhappily and frequently rendered as 'get up.'

*

If Mozart had lived he would have been 75 when Berlioz went to Italy as a Prix de Rome student in 1831. Three years later came the symphony with viola solo. Harold in Italy, in which Berlioz amalgamated his admiration for Byron and *Childe Harold* with his own Italian experiences. Colin Davis's new recording, with the Japanese violinist Nobuko Imai and the London Symphony Orchestra, has the immediacy and deep understanding which make him a superb Berlioz conductor. That understanding includes a sense of proportion and a sure grasp of the fact that in Berlioz classical reticence, all appearances to the contrary, is of greater importance than romantic flapdoodle. Davis has long shown an exceptionally happy touch with the finale of this work, distinguishing between an orgy of mere human brigands and the satanic, supernatural revels depicted in the corresponding movement of the Fantastic Symphony — conductors who fail to make that distinction will find that the viola solo goes puny.

All through *Harold* one feels that Berlioz is the perfect gramophone composer—in a recording studio, of course, the balance between viola and orchestra, tricky in the concert hall even with a tone as full as Mr. Imai's, can be guaranteed. I awaited a similar feeling from Karajan's new Fantastic Symphony with the Berlin Philharmonic, but in spite of stunning playing and surface quality, was left hungry. Only once, in the March to the Scaffold, does the tempo feel absolutely right (in *Harold*, Davis convinces every time). In the Roman pastoral, where Davis in his recent Festival Hall performance with the *LSO fell slightly below expectation*. Karajan is sluggish and rather dull in spite of detail marvellously realised. He omits the first movement repeat, though there is plenty of room for it. For the finale he has a *magnificently resonant* bell, recalling a German city on Saturday afternoons when the air vibrates with deep tolling. London orchestras, with their tinny tubes, should investigate.

Paris theatre

Claudel and Wedekind

by MICHAEL PEPPIATT

The new production of Claudel's *L'Echange* at the Théâtre de la Ville (until March 12) has two immediate advantages: Jean-Pierre Regnault's set—a semi-elliptical sweep of aluminium, like a vast dulled mirror—and the shock of the play's verbal beauty, admirably communicated from the start. Better still, these advantages are maintained all the way through. One never tires of this subtly reflecting background, which intensifies the action on stage in an almost subliminal way. And Claudel's poetry comes across with such power of freshness that one barely has time to respond to an image before it is past and replaced by another.

Anne Delbée, who directs this curiously beautiful play about desire and destruction in two couples' exchange of partners, shows how undated Claudel can remain (*L'Echange* was written in 1893-94, when Claudel was in his mid-20s; he revised it in 1950-51). I was particularly struck by the *naturalness* with which his poetic vision unfolds: however exuberant or cosmic his imagery, it seems to spring directly from a specific sensation, as though the words formed with the *feeling* (rather than being the result of any deliberate literary creation). But not only does the intensity of the images not seem forced: it also suspends one's everyday sense of logic and allows one to follow the whole play at a poetic level.

This would not be possible, of course, without excellent actors. Martine Chevallier as Marthe (the faithful wife), Jean-Claude Durand as Louis (her fierce, adolescent dreamer of a husband), Geneviève Page as Lechy (the actress-seductress), and Jean-Claude Dreyfus as Thomas Pollock Nageoire (the ultimate tycoon) bring tremendous conviction and poignancy to the play. Both women are quite exceptional, whether alone, with their men, with each other's men, or—above all—face to face. My only criticism is that Jean-Claude Durand tends to be too emphatic: his words are already so wild that they don't call for him to drag or throw himself about quite so much.

However provocative or inventive Wedekind may have seemed to people around the turn of the century, I do not think—on the strength of a recent, most leaden production of *Spring's Awakening* at the Théâtre Récamier, and the Théâtre de l'Athenée's current *Lulu*—that he has worn at all well. I found both plays (the former, in particular) heavy, complex to the point of incomprehensibility, and not markedly theatrical. But he is clearly back in fashion.

Jeanne Moreau plays this Lulu, and much as one might admire her as an actress, it's difficult not to feel right away that the role calls for a younger, perhaps more voluptuous, woman. The programme note suggests that "Lulu is not a *femme fatale*, but on the contrary the most *innocent* person in the play, because she is a human being who acts simply, with total sincerity, freely following her nature."

This naive reckoning does in fact sum up the way Jeanne Moreau plays Lulu. She walks a gauntlet of lecherous old men, passionate middle-aged men and inflamed youths as though her mind were simply elsewhere—on trout-fishing or dolls, but certainly not on the havoc her sexiness is wreaking. With men dying to left and right because of her, such "innocence" comes to seem like extreme simple-mindedness.

Claude Régy has directed the play, and anyone who saw his production of Peter Handke's *The Ride over Lake Constance* two years ago would know it from the staccato delivery of lines that he favours (though, thankfully, it is less obtrusive this time). This increases the feeling of the play's artificiality—which grows to such an extent in the second half that everything, including Lulu's death, becomes quite abstract. Nevertheless, dotted among these shortcomings were a number of positive points: the overall evenness and impeccable poise of Jeanne Moreau's acting; Roland Bertin as the witty yet impassioned Dr. Ludwig Schön; and the sets by Radu and Miruna Boruzesco, which, even if they didn't always coincide with the overall tone of the production, were interesting in themselves.

English Stage Company's 20th anniversary season

The following plays are announced for the Royal Court: From April 20 the Schiller Theater Berlin will give 10 performances of Samuel Beckett's own production of *Waiting for Godot*. This will be followed by a triple bill and *Endgame* in repertory. The triple bill comprises *Play* and two new Beckett works: *That Time* written for and played by Patrick Magee, and *Footfalls* written for and played by Billie Whitelaw. Donald McWhinnie will direct *That Time* and *Play*. Jocelyn Herbert is the designer. Stephen Rea and Patrick Magee will be appearing in *Endgame*, which Donald McWhinnie will also direct. Andrew Sanders is the designer.

The following writers are under commission or have promised new plays for the Royal Court: Edward Bond, Caryl Churchill, David Halliwell (the theatre's new resident dramatist), Christopher Hampton, Robert Holman, Donald Howarth, Michael McGrath, George Melly, John Morris, John Osborne, N. F. Simpson, Richard Thornley, E. A. Whitehead, Snoo Wilson/Kevin Coyne and Mustapha Matura.

New End

Wild Orchids

by B. A. YOUNG

On Tuesday I saw the dress rehearsal of *Wild Orchids* by Frank White. It concerns a family of the kind that in fiction gave rise to *Cold Comfort Farm*, only not funny. In this remote farmhouse, Ben the farmer (the third Ben in a week) has a mistress; his elder daugter Bess has a lover. Ben's wife Marje has been acting frigid for years. His second daughter Lucy has been to university and works in the local library; she has a pony but not, so far, a man.

Here is a wasps' nest of potential trouble, and the trouble happens. The scene is apparently new to Frank White, who (*one must suppose*) has not read Hardy, and he has contented himself with the creation of the stifling, agitated atmosphere without providing much of a story. What we see is only the moiling about of the wasps; characters come on stage as needed to spark off a little domestic row and then wander *off so that some other characters* may come and spark off another domestic row. The time comes when the consequences of each character's entrance can be so accurately forecast that all interest seeps away. The final reconciliation of Ben and Marje, in spite of Ben's attempted incest with Bess, is so sentimental that I could hardly believe my eyes.

Gerald Chapman, the director, has even accompanied it with a tape of Schumann's "Im wunderschoenen Monat Mai."

Godfrey Jackman as Ben, June Brown as Marje, Anna Pitt as Bess, Sandra Frieze as Lucy and John Flint as Bess's husband Geoff, who is regarded by everyone else as a nitwit but who seemed to me to be the brightest of the bunch, especially when he packed his bags and got out, bear the weight of the evening.

Book Reviews are on Page 24

Festival Hall

Dorati/Stern/RPO

by RONALD CRICHTON

With Isaac Stern as soloist in two concertos and Dorati conducting, the Royal Philharmonic Orchestra packed the hall on Tuesday with a programme of Haydn, Mozart, Prokofiev and Stravinsky. Stern took time to settle into Mozart's A major Concerto (K 219): many phrases were eloquent, but the note of young rapture which characterises these concertos was not securely caught and held until the violinist was well into the Adagio. Then he sang masterfully, and went on to turn the *Tempo di menuetto* most deftly. The Turkish episode had a fine, wild flourish but was slightly over-sized, as if Brahms in his *Hungarian mood were peeping* over Mozart's shoulder.

Altogether Stern appeared rather restless, splendid in moments of energy, less happy in lyrical music. The scherzo of Prokofiev's First Concerto was thrown off by both soloist and orchestra with startling brilliance, but the magic opening of the work missed the full, silvery, dream-like quality. Fortunately that came by the end of the first movement and again at the end of the finale. It was revealing to hear the Prokofiev and Stravinsky's *Firebird* Suite (1919 vintage) soon after Glinka's *Russlan and Ludmila*, and to have prompt evidence of how much that lazy, procrastinating, hypochondriachal dilettante managed, in spite of all his endearing failings, to set going. Dorati's *Firebird*, with a responsive RPO, was strongly articulated, bracing, a *little curt* in the phrasing of the melodies.

Haydn's Oxford Symphony at the beginning of the evening really made a deeper musical effect than anything else with its mastery, daring, wit—total command of material. The playing was lithe and a fraction flinty in a way admirers of Dorati's complete recording of the symphonies will have recognised with pleasure. The range of the music was made unequivocally evident, from the rhythmic teasing of the trio to the strange feeling of lingering regret in the slow movement, echoed (in a quite different way) in the pauses of the minuet.

Brighton Festival

The theme for this year's Brighton Festival, which opens on May 4, is "Phantasmagoria — *the world of fantasy, fear* and enchantment." Many of the programmes have been designed to reflect this idea and include Britten's *Turn of the Screw*, Rossini's *Cinderella*, Mozart's *The Magic Flute*, Berlioz's *Symphonie Fantasque*, Richard Strauss's *Burleske* and *Till Eulenspiegel*, and music from Mendelssohn's *A Midsummer Night's Dream*.

Among over 30 major events is the first visit to Britain of *the famous German festival* opera from Ludwigsburg with cast, chorus and orchestra *totalling 105, who will present* three performances of *The Magic Flute*. The London Symphony Orchestra under André Previn with the Russian pianist, Vladimir Ashkenazy, give the first orchestral concert followed by the Brighton Philharmonic with Rita Hunter as soloist. Haydn's oratorio, *The Creation*, will be presented by the New Philharmonia Orchestra conducted by Laszlo Heltay. There are to be three BBC Symphony Orchestra concerts under Rudolf Kempe with the celebrated cellist Rostropovich, pianist Walter Klien and, on the last night—May 16—the Brighton Festival Chorus in Verdi's *Requiem*.

'Gaslight' for Criterion

Gaslight, the Victorian thriller by Patrick Hamilton, will open at the Criterion Theatre on Wednesday, March 24, starring Anton Rodgers, Peter Vaughan and Nicola Pagett. Previews commence on March 16.

Northern Sinfonia in Leipzig

The Northern Sinfonia Orchestra will present two concerts in Leipzig as part of this year's trade fair.

The concerts, sponsored by the British Council, will be given on March 19 and 20 in the Altes Rathaus.

WORLD TRADE NEWS

Venezuelan order for Ericsson

By John Walker

STOCKHOLM, March 3.

CANTV, the Venezuelan telephone administration have placed an order worth $11.5m. (£5.7m.) with the Swedish L. M. Ericsson telephone company. The order is for the delivery of FDM multiplexing equipment for system capacities from 120 up to 2,700 channels and will be installed by the administration at numerous locations throughout the country. Deliveries will commence this year and will be completed in 1979.

This order follows two earlier ones from the Venezuelan telephone administration for the delivery of exchange equipment. The first was valued at $25m. and the second in October last year for similar equipment for $23m.

At the same time L. M. Ericsson state that they will own 40 per cent. of the shares of a new company to be formed in Iran —Simco Ericsson—which will manufacture installation lines and low tension cables for use in Iran.

Lack of major Soviet orders disappoints Britain

BY MARGARET HUGHES

THE OVERALL outlook for British exports may be encouraging following the pick up in the final quarter of last year, but some markets continue to disappoint. This is clear from the written parliamentary reply from Mr. Peter Shore, Secretary of State for Trade on the subject of British sales to the Soviet Union.

In February of last year the Prime Minister Mr. Harold Wilson returned from Moscow having concluded a new Anglo-Soviet trade agreement. This provided for £950m.-worth of cheap British credit covering Soviet contracts over a five-year period. A year has now passed since the signing of this deal and, according to Mr. Shore's statement, the Soviet Union has so far taken up only some £25m., with no more than £24m.-worth of further business at "an advanced stage of negotiation." Most of this business involves small orders covering a wide range of products, rather than the large capital goods exports which the U.K. had been hoping for.

The Soviet Union's apparent reluctance to place more substantial orders in Britain is causing some concern. Earlier this month at a Soviet-British Chamber luncheon Mr. Shore urged the Soviets to hurry up and place more orders with British industry to maintain the momentum of Anglo-Soviet trade —a message which he had already communicated to Mr. Nikolai Patolichev, the Soviet Foreign Trade Minister.

During 1975 the U.K. had doubled export shipments to the Soviet Union to £210m., reflecting orders placed in earlier years, and marginally reduced imports. The Government had hoped to build on this performance and so to reduce the traditional imbalance in Anglo-Soviet trade—due in part to the entrepot trade in London in Soviet diamonds and furs.

Mr. Shore referred in his parliamentary answer to several "substantial contracts" which are under discussion between British exporters and Soviet buyers. These, it is believed, could be worth as much as £500m. The Soviet Union is also said to have "earmarked" the full £950m. worth of credit. But there is no indication as to how much of this is likely to develop into firm contracts, or when.

The main reason for the delay in placing contracts is thought to be the fact that the Soviet Union last year was coming to the end of one Five Year Plan and the new one had only just been announced. There is an inevitable lull before the Soviet authorities get down to placing orders to meet the new plan's priorities. The middle three years of the Plan are generally the most fruitful for overseas suppliers.

Added to this, the increase in grain purchases following last year's poor harvest has meant that orders for equipment, which the Soviets traditionally buy from Britain and other West European countries, have been cut back. Another factor is that over the past year to 18 months the Soviet Union has suffered a significant deterioration in its terms of trade with the West.

Production starts at former BL plant

By Terry Dodsworth

SEAT, the Spanish car company in which Fiat holds a 33 per cent. interest, has begun production at the former British Leyland plant in Pamplona which it took over last year.

Two-shift production of the 124-D model is planned for the factory, with the first assembly line due to reach a capacity of 200 vehicles a day shortly. The plant has been placed in operation less than five months after over the takeover.

SEAT was persuaded to take on the BL concern by the Spanish Government, which was anxious to save the jobs of 1,650 workers in the company. All of these men have been absorbed by the Spanish company. So far SEAT has produced 675,000 units of its version of the 124.

Recovery in Japanese investment overseas

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, March 3.

DIRECT OVERSEAS investment by Japan, as measured by the value of projects approved by the Ministry of Finance, will show a sharp recovery during the 1975-76 fiscal year, judging by preliminary figures which are now available.

Approvals during the first nine months of the fiscal year (in other words up to the end of December) are put at roughly $2.4bn., or virtually the same as the total of $2.398bn. approved during the whole of fiscal 1974. For the full fiscal year the figure could reach $3.3bn. which would be only just below the record investment level achieved in 1973 when the Finance Ministry approved $3.5bn. worth of overseas investments.

Recovery in the overseas investment figures reflects Japan's increased confidence in its balance of payments situation last year. Also some Japanese industries are beginning to make plans for raw material development and other overseas projects in the period of "moderate" economic growth which is expected to follow the present recession.

However, the figures also reflect the fact that one or two very major (but also very long term) projects were finalised during 1975 after negotiations which had continued, in some cases, for several years. The most important of these was the Y250bn. ($830m.) Asahan aluminium project to which Japan finally committed itself last summer under strong political pressure from Indonesia.

Deduction of the Asahan project from the total value of investment approvals would leave the figure only marginally above the previous year's level. But this should not necessarily be taken as invalidating the fact of an investment recovery. Japan would not have agreed to go ahead with the Asahan project if the aluminium industry had not felt confident enough about its long term future to back it or if the Government had thought the balance of payments was incapable of carrying the burden.

U.K. buys more clothes from Hong Kong

BRITAIN bought 156m. worth of clothes, mostly trousers, shirts and sweaters, from Hong Kong last year. It was a rise of 16.8 per cent. over 1974 and included suits and coats for men, women's suits, coats, skirts, dreses and blouses, but it only secured for the U.K. third place as a market for Hong Kong's clothing exports.

First place was taken by the U.S. which bought Hong Kong clothing worth £309m., an increase of 28 per cent. on 1974. The next most important customer was West Germany which bought £193m. worth, a rise of 8 per cent. which accounted for 19 per cent. of all Hong Kong's clothing exports.

Clothing exports to the entire European Economic Community in 1975 were valued at £403m., a rise of 10 per cent. over 1974.

Japan takes less Chinese oil

BY PETER DUMINY

TOKYO, March 3.

THE TREND of reduced oil deliveries from China to Japan this year is confirmed by the first of the bilateral contracts to be signed for 1976. It is reported from Peking that the China Importing Council, the Tokyo-based consortium, has signed an agreement for 2.1m. tonnes of crude, a reduction of 12.5 per cent. from last year's 2.4m. tonnes.

The other, and normally larger, buyer is International Petroleum, the so-called Osaka group, which imported 5.7m. tonnes of Chinese oil last year. Its agreement is not expected to be finalised for some time yet, but a spokesman for the semi-official Japan-China Economic Committee said to-day that this consortium's commitments may be cut by as much as 1.7m. tonnes.

If that occurs, Japanese imports would be 25 per cent. lower this year, at 6.1m. tonnes, the first setback since the Sino-Japanese oil trade began in 1973. Deliveries more than doubled last year to 8.1m. tonnes, from about 3.6m. tonnes (4.5m. kilolitres) in 1974. There were confident predictions late last year that the 10m. tonne milestone would be reached this year.

The latest figuring may throw new light on the sudden contraction of Chinese oil shipments to Japan last month. Each consortium apparently received only 200,000-250,000 tonnes—little more than half the volume expected.

The Japanese claimed to be mystified by this. But reduced shipments would obviously have amounted to intelligent anticipation of reduced contracts this year. Now that these are now virtually an established fact it is much easier to see that it suits Japan's refining industry (which can get all the oil it needs more cheaply from other sources this year), than to identify any advantage for the Chinese.

China ran a $731m. trade deficit with Japan last year and its need of foreign exchange is believed to be acute. Perhaps the main reason why the Chinese may be willing to settle for lower shipments in 1976 is that they are at present negotiating a type of barter deal with the Japanese steel mills. The probable basis is that Japan will ship between $1.5bn. and $2bn. of steel products to China forthwith, and in return will import increased quantities of Chinese oil over a five or 10-year period, beginning in 1977.

EEC moves on Brazilian hard board imports

BRUSSELS, March 3

ANTI-DUMPING proceedings against wooden hardboard exports from Brazil to the EEC have been opened by the EEC Commission, a spokesman announced to-day.

Commission action followed a complaint by the European Hard Board Manufacturers Federation alleging that because of dumping and Government subsidies, wooden hard boards exported by Brazil to the EEC are sold at prices 40 per cent. below those charged in Brazil.

The Federation also argues that Brazilian exports to the EEC of hard boards, rose to 20,000 metric tons in the first eight months of 1975 from 16,000 tons in 1973.

AP-DJ.

More aid urged to offset third world debt problems

BY KEVIN RAFFERTY

THE TEN-MAN Commonwealth Group of Experts have suggested four ways in which rich countries can start to help the poorest nations of the world recover from their appalling problems of debt and underdevelopment. The report is being finalised and will be sent to Commonwealth governments in the next few days.

The experts will report that the very poorest countries (those with per capita income of less than $200) are in a desperate plight. The background is that last year total balance of payments deficits of the non-oil developing countries came to $35bn. (£17.5bn.). The poorest of the poor countries last year could only manage a 2 per cent. growth rate, and when account is taken of the rise in population this was minus .8 per cent. in per capita terms.

Given the structure of world trade, smaller balance of payments deficits would mean even lower growth for the poorest countries. Yet the oil nations are running down their balance of payments surpluses, and most of the poor countries are at the edge of their creditworthiness.

In the circumstances the Commonwealth experts suggest that the financing facilities of the International Monetary Fund should be enlarged; that the rich countries of the world should give more aid especially to the poorest, particularly by helping with debt relief; that there should be trade measures to increase the export earnings of the developing countries; and that the developing countries themselves should step up their own development efforts.

The experts group which was chaired by Mr. Alister McIntyre, secretary of the Caribbean community, points out that the conditions for borrowing from the IMF are often too restrictive for the poorest countries, and on top of this the fund is slow to respond. Many developing countries need money within a few days but it typically takes six months to draw a tranche from the fund. Last year only a handful of poor countries took their first tranche from the fund.

OPEC aid may decline

BY RUPERT CORNWELL

PARIS, March 3.

THE FLOW of aid from OPEC member countries to the rest of the developing world climbed to $5.6bn. last year from $4.6bn. in 1974, but fears are growing that the trend will level off or even decline in 1976.

The figures are contained in a statistical document prepared by the Development Aid Division of the Paris-based OECD, and as far as possible exclude military assistance. Not counted as well are the three non-aid-giving members of OPEC—Ecuador, Gabon and Indonesia.

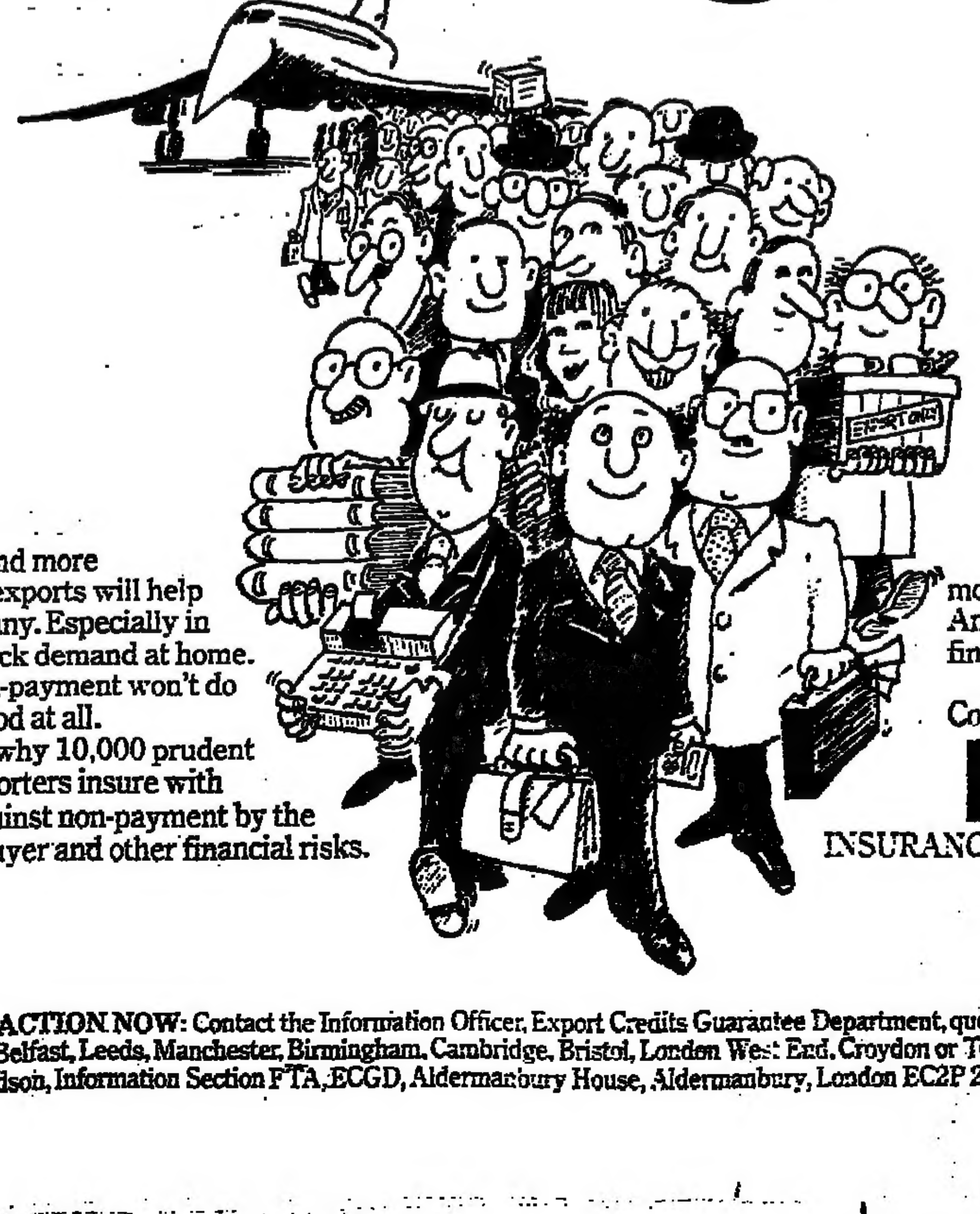
The total of concessional aid from the oil-producing nations in 1975—that is, disbursements containing a grant element of at least 25 per cent.—rose to $2.59bn. from $2.54bn.

Although it fell as a proportion of gross national product to 1.28 per cent. from 1.40 per cent. in 1974, such assistance is well above the aid target of 0.7 per cent. of GNP officially adopted for the industrialised world, and which so far has never been collectively met.

Commitments of assistance from OPEC also rose, but less sharply, to $9bn. from $8.6bn. Of this, $4.1bn. was in the form of concessional aid, and $4.9bn. of other official flows, granted on less generous terms.

Not surprisingly, the biggest OPEC donor in 1975 was Saudi Arabia, with $903m. of concessional aid.

The OECD statistics show that the bulk of bilateral aid from OPEC, which excludes funds channelled to international institutions, went to Arab countries.



هكذا من الأصل

Senator Henry Jackson's victory in Massachusetts

A conservative storms the citadel of liberalism

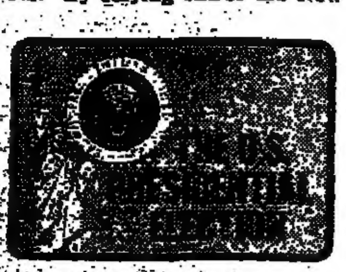
BY GUY DE JONQUIERES BOSTON, March 3.

...OR THE past two weeks ...nator Henry Jackson has been ...ss-crossing Massachusetts tell... ...r anyone who cared to listen ...at he would win the State's ...mocratic Presidential Primary. ...was the only one of the ...rty's eight major candidates ...venture such a prediction and ...til yesterday's ballots were ...unted, was greeted with fairly ...despread scepticism.

Though his home state of ...ashington has returned Mr. ...ckson to the Senate with size... ...le majorities since 1953, it ...d been widely assumed that ...could not win an election ...ewhere. His entry in the 1972 ...maries resulted in a string of ...miliating defeats and he bears ...t a trace of charisma. At 63, ...is the oldest of the party's ...ajor declared candidates and ...s speaking style is so dull that, ...the words of one wit, if he ...ve a fireside speech, the fire ...ould fall asleep.

In Massachusetts, supposedly ...e most liberal state in the ...ion and cradle of the anti ...etnam war movement, Senator ...ckson's initial prospects ...peared mediocre. An erst... ...ile Vietnam hawk, he is an ...abashed advocate of higher ...fence spending and a sabre-...ttling critic of Soviet expan...sionism. The pundits believed ...at his trenchant opposition to ...urt-ordered school "busing"—...controversial issue in many ...rts of the state—would take ...w votes from Governor George Wallace while alienating liberals and moderates.

Senator Jackson's victory against these handicaps says much about his own persistence as well as about the state of political opinion in Massachusetts—and possibly other parts of the U.S. By staying out of the New



Hampshire primary he was able to devote almost all his efforts to Massachusetts and campaigned longer and harder than any other candidate.

His rivals admit that he is a prodigiously hard worker and has built up a formidable campaign organisation. At precinct level he has enjoyed substantial assistance from organised labour, a major advantage in a heavily unionised state where the Democratic Party is notoriously fragmented. Mr. Jackson has assiduously courted national labour leaders, and last Monday he also obtained the support of Mr. Daniel Patrick Moynihan, whose blustering speeches at the United Nations have made him something of a blue collar hero.

Ample funds have made possible an advertising blitz: the Jackson campaign has spent more than $200,000 on print and broadcast media here, about $30,000 more than Congressman Morris Udall and twice as much as Mr. Jimmy Carter. On election day, a 130-member telephone bank urged his supporters to get to the polls, and a fleet of 140 cars and buses ensured that they were able to do so.

There are obvious dangers in trying to draw too many broad conclusions from the victory of a man who, after all, won only a fraction of the votes cast by a fraction of Massachusetts' registered electorate. But when coupled with the 30-odd per cent. obtained by the two other Democrats who might loosely be described as conservative, Governor Wallace and Mr. Carter, the results do suggest that some interesting changes have taken place in the political climate in Massachusetts.

In the first place, anxiety about the Vietnam war, which undoubtedly helped Senator George McGovern to carry Massachusetts in the 1972 Presidential election, has given way to other concerns. Senator Jackson attributes his victory to what he called the "lunch bucket" issues: unemployment (more than 11 per cent. in Massachusetts), job security, and inflation.

At a local level he appears to have won some support for his opposition to "busing" from voters who regard Mr. Wallace as too extreme, too divisive, and ultimately not to be elected. The Senator's attack on the oil industry, though more ferocious in bark than in bite, helped him in a region where energy is scarce and expensive. Since he was the only candidate openly espousing higher defence spending, his denunciations of the recent closure of many military bases in the State carried conviction.

Whether the political constituency which Senator Jackson has managed to fashion in Massachusetts can be recreated elsewhere remains to be seen. It may be that the mood of America is moving towards the Right, or at least the Centre, of the political spectrum. Mr. Jackson could be well placed to take advantage of this shift.

Other candidates also played on some or all of these issues. But Senator Jackson appears to have succeeded in convincing the electorate that, as a man with more than two decades of Congressional experience, and a long list of legislation to his credit, he is better able to master the Government machinery for promoting economic change.

Despite his hawkish views on foreign policy, he has quite an impressive record as a sponsor of progressive social programmes, though he has appeared to waiver somewhat on civil rights in recent years. Moreover, his long-winded speaking style (which he is seeking to improve by taking elocution lessons) is offset by a firm command of facts and statistics.

The interesting point here is that Senator Jackson beat two fairly conservative opponents who have emphasised their appeal as "non-Washington" candidates, not to be blamed for unpopular federal policies. By opposing "bussing," which Mr. Wallace has been portraying as a symbol of unwarranted federal interference, the Senator neutralised some of his Washington background and probably diminished the appeal of the "anti-Washington" movement, at least in the North East.

By his prformance in Massachusetts "Scoop" Jackson (the nickname goes back to his childhood) has clearly placed himself in the forefront of those candidates contesting the March 9 Florida primary, which had until now been thought of as a straight race between Governor Wallace and Mr. Carter. That distinction is not without its problems.

If he does poorly in Florida, Mr. Jackson could lose some of the momentum which he has gained this week in Massachusetts. On the other hand, as the apparent new front runner, he can hardly afford to wage a low-key campaign there, all the more so since there is a chance of his taking some votes away from Mr. Carter, who is now seen as his chief rival.

Senator Jackson is, in fact, spending a good deal of time in Florida though in public he is trying to hedge by emphasising that the New York primary on April 6 is of greater importance to him. This is certainly true in terms of the number of convention delegates to be won, and his prospects there look more promising than in the South.

His strongest asset in New York is a large and well financed campaign organisation. The state does not list the Presidential candidates' names on the ballot, only those of delegates pledged to them, making it especially

Senator Henry Jackson

important for the contenders to consolidate support at the grass roots. Senator Jackson has delegate slates pledged to him in almost all the state's 39 Congressional districts, against only 24 slates pledged to Mr. Udall, who is also making a major effort in the state. But Mr. Udall could benefit appreciably if he receives the support of the 38 slates pledged to Senator Birch Bayh.

In terms of voter appeal, Mr. Jackson is counting heavily on his strong support of Israel to help him in the large Jewish communities of both New York and Florida, though preliminary analyses indicate that he did rather poorly among Massachusetts' sizeable Jewish population, polling only about 40 per cent. of its vote. His proven appeal to the older generation should help him among Florida's many retired people, while his views on defence and foreign policy may appeal to the more conservative elements in upper New York state.

Whether the political constituency which Senator Jackson has managed to fashion in Massachusetts can be recreated elsewhere however, remains to be seen. Ironically he did well in a traditionally liberal state by sacrificing several traditionally liberal principles, notably in his opposition to bussing. It may be that the mood of America is moving towards the Right, or at least the Centre, of the political spectrum. Mr. Jackson could be well placed to take advantage of this shift. But, if that is not the case, he may find it difficult to disavow his conservative image. That could be a disadvantage in a field where the liberal vote appears to be coalescing around Mr. Udall and where Mr. Carter has yet to establish his exact position on the political spectrum.

...ongressional victory ...or opponents ...of gun control law

BY JUREK MARTIN, U.S. EDITOR WASHINGTON, March 3.

...HE OPPONENTS of gun con...ol in the U.S. chalked up ...nother sizeable victory last ...ight when a Bill that would ...ave imposed restrictions on the ...wnership of handguns was ...ffectively throttle in a Congres...ional committee.

The House Judiciary Committee's decision—on a 17 to 16 vote—to refer the Bill back for further study after it has been under review for a year reversed ...n earlier committee vote that ...ould have brought the measure ...o the full House for considera...on. It followed intense pres...re from the pro-gun lobby on ...apitol Hill, led by the National ...ifle Association, whose creed ...that restrictions on the right ...the citizen to bear arms in...inge the American constitu...on.

The Bill, whose future is now ...grave doubt, would have ...nned the sale or manufacture ...handguns under a certain ...e. It would have covered ...out 71 per cent. of the current ...ndgun market.

The opponents of the Bill con...ded that these criteria were ...stringent and would have ...eant the outlawing of guns ...ch bigger than the "Satur...y night specials," the import ...which has been banned since ...38. These small concealable ...apons are widely used for ...med robbery.

The 1968 Act came into being following the assassinations of Senator Robert Kennedy and the Rev. Martin Luther King, the former the victim of a small pistol. It had been thought that the two attempts late last year on President Ford's life by Lynette Fromme and Sara Jane Moore, who both carried handguns, would have spurred Congress into imposing further restrictions.

However, gun control is one of the most emotional political issues in Washington and the pro-gun lobby one of the most effective in town. In an election year the influence that the NRA in particular is able to bring to bear is sufficient to make many Congressmen wary of running foul of the organisation.

It is believed, for example, that in the course of its lobbying against the current legislation the NRA pointed to its potential power by claiming that the poor showing of Senator Birch Bayh, a leading advocate of tighter gun control, in the Presidential primaries was in part attributable to its opposition.

This may have persuaded some representatives to change their minds on the issue. It is now thought highly unlikely that the Bill will now see the light of day on the floor of the House this year, while a parallel proposal in the Senate, which was waiting for the House to move, may now gather dust.

Canadian bid for a home-made constitution

BY OUR OWN CORRESPONDENT OTTAWA, March 3.

...R. PIERRE TRUDEAU, the ...nadian Prime Minister, has ...started the attempt to give the ...untry its own constitution in...ad of relying on the British ...rth America Act of 1867.

This process, known in Canada ...the repatriation of the con...tution, came to nothing in ...'1. At that time differences ...tween Ottawa and Quebec ...oved unbridgeable. They cen...ed on how to divide powers ...r social services and taxes be...een the federal Government ...d those of the provinces.

...he Quebec government now ...ears to be dropping its ...mand for wider taxation ...vers, but is pressing for a ...ger say in federal spending ...grammes affecting Quebec. ...position is outlined in an ...er-Governmental department ...ort which has been leaked ...the Press.

...uebec negotiators now regard ...as illusory to expect the ...eral Government to relin...sh fields of taxation it already ...upies. In exchange for the ...ened tax position, which has been one of Quebec's major demands since 1967, the report proposes that the province seek guarantees from the federal Government in two other areas: a written constitutional guarantee obliging the federal Government to redistribute income to equal its per capita taxation revenues in the provinces; and a provision giving provinces the right to approve federal spending programmes in areas of shared federal-provincial jurisdiction and the right to modify the programmes through provincial legislation.

It is reported that the federal Government has presented a detailed list of propositions to Quebec province concerning the proclamation of a Canadian constitution. These include arrangements concerning immigration and the protection of French culture. Premier Robert Bourassa, of Quebec has indicated that the preliminary constitutional talks are nearing a conclusion and that his Government will decide within months whether to go ahead with formal talks.

...oodyear admits foreign payments

BY JAY PALMER NEW YORK, March 3.

...ODYEAR TIRE, the world's ...gest maker of rubber, this ...ning joined the ranks of ...erican companies which have ...untarily disclosed making ...art payments to foreign ...ernment officials.

...he company said that it had ...l a statement with the U.S. ...urities and Exchange Com...sion (SEC) revealing total ...ign payoffs of $845,000 over ...last six years. Goodyear did ...name individual recipients ...disclose in which countries ...payments were made.

...nknown at the time to senior ...pany executives in Ohio, ...dyear stressed that the pay...ts fell into three categories. ...ut $120,000 went directly to ...loyees of foreign govern...ts, while about $575,000 was ...to third parties who may have passed funds on. The remaining funds appeared to be legitimate sales commissions.

Goodyear, which has distribution operations in more than 50 countries with 31 foreign subsidiaries, said that the first two categories of payments were normally made in response to requests or pressure by recipients.

UPI adds from Washington: The number of U.S. corporations reporting past bribes or other questionable payments to overseas officials will increase in the next few months, the Chairman of the SEC said to-day.

Mr. Roderick Hills told the Senate banking committee that 74 companies already have been linked with questionable payments.

EUROPEAN NEWS

Assurance—and warning—by Carlos on referendum

BY ROGER MATTHEWS MADRID, March 3.

KING JUAN CARLOS of Spain has indicated that plans for a referendum on the constitution are now being drawn up but has warned he is also prepared to take whatever special measures are necessary to protect the State against any type of threats.

His speech to the Council of the Realm was carefully imprecise and left most political leaders struggling for an interpretation. On the one hand the King stressed his desire to remain above politics, while on the other he argued that the monarchy, as an institution, had a heavy responsibility in vital matters affecting the political evolution of the nation.

But perhaps the most significant impression was the growing power that the King was willing to award to the highly conservative 18-man Council of the Realm and the fact that he thought it should be consulted on a far more regular basis. Observers pointed particularly to the role of Sen. Fernandez-Miranda who, as president of the Cortes, also chaired the Council of the Realm. He is exercising considerable influence on the King, especially since Prime Minister Carlos Arias appears to be fading increasingly from the picture.

The mixed commission charged with producing the blue-print for constitutional reform held its fourth meeting to-day with two of its key "reformist" members absent. Sen. Fraga, the Interior Minister, is in West Germany and Sen. Areilza, the Foreign Minister, is continuing his tour of northern Europe.

On the labour front, Madrid was hit to-day by fruit and vegetable shortages, while long bread queues formed following industrial action by bakers. The 10-day old strike by over 40,000 lorry drivers left the main Madrid markets with only about 30 per cent. of their normal supplies but there were indications that the stoppage was coming to an end.

Special convoys of lorries set out from Barcelona to-day under police guard, allegedly to protect the drivers against violence by groups of pickets. In the north-west paramilitary Guardia Civil rode in lorry cabs and the railways provided extra trains to move supplies of fish. Police have arrested over 25 people, including 11 in Seville, during the past 48 hours, for forming pickets.

Nearly 80 per cent. of factories in the northern town of Vitoria were shut to-day following calls for a general strike and several people injured during frequent clashes between police and demonstrators.

Students and extreme Right-wingers clashed near the Ministry of Education in Madrid this morning before police moved in with tear gas and baton charges. Eye-witnesses reported vicious fighting and said several students had been seriously hurt.

New strength in Bonn finances

BY NICHOLAS COLCHESTER BONN, March 3.

THE prospect of an economic revival, low current rates of inflation, and maintained monetary ease have continued the speedy improvement in the financial position of the West German federal government. The Finance Ministry has already achieved some 40 per cent. of the gross federal borrowing envisaged for 1976. It is now able to issue ten-year paper at a rate of only 8 per cent.

The news, from Finance Ministry sources, is of encouragement to the financial markets because it suggests that fears of credit confrontation between the public and private sector this year are unfounded. On the one hand, Finance Ministry officials expect West German Corporate profits to rise by around 30 per cent. in 1976, greatly increasing the ability of companies to finance themselves. On the other, the Federal Government now reckons with a net borrowing requirement over the remaining ten months of this year of only DM2bn. a month.

Originally the Bonn Government thought it would have to raise a gross DM58bn. this year. However, it came into the new year with a financial surplus of DM9bn. and has since raised another DM7bn. Growing confidence about the fiscal outcome of 1976—together with readiness to end 1976 with debt rather than credit at the Bundesbank—has further reduced the gross shortfall to around DM30bn., and the net shortfall to DM20bn.

With the running rate of consumer price inflation now under three per cent. (seasonally adjusted) the atmosphere in the German money market has improved markedly. The next public issue, that of the Lastenausgleich Bank, will raise DM250m. at eight per cent. for ten years. The next federal bond issue, due sometime in the next fortnight, will aim to reduce the rate to perhaps 7.75 per cent.

WHAT FINLAND COULD TEACH THE ITALIAN COMMUNISTS

Dilemmas of coalition

BY WILLIAM DULLFORCE, NORDIC CORRESPONDENT

WHEN THE West European Social Democrat leaders discussed co-operation with national Communist parties at Elsinore in January a rough distinction emerged between the northern countries, where Social Democracy is solidly entrenched and collaboration unnecessary, and the south, where changes in the approach of the Communist parties might open the way to government for Left-wing coalitions. But in one northern country, Finland, Social Democrats and Communists currently sit together in a Cabinet coalition with three non-socialist parties.

This partnership was forced through at the end of November by President Urho Kekkonen two months after a general election and subsequent fruitless party bickering. Mr. Kekkonen wanted a broadly based Government to tackle rising unemployment.

Mr. Kalevi Sorsa, the Social Democrat party chairman, says his Party wants Communists in the cabinet, in order to reinforce Left-wing influence. The brief history of the present coalition, however, demonstrates rather the problems and dilemmas which Communist policies can pose for Social Democrats at a time of economic crisis in a country which is linked preponderantly to the West European economic system.

The central political question in Helsinki is how much longer the Communists can stay in Government. The issue is not one of Communist allegiance to Finland's pluralist democracy, but of the compatability of basic Communist beliefs with the policies Finland has to pursue within the western trading and banking system, in order to ensure economic recovery. When President Kekkonen pushed the party leaders into coalition at a dramatic confrontation before television cameras, he said they would have to do battle with the Bank of Finland. He was underlining the basic contradiction between the bank's deflationary policies, dictated by a critical payments situation, and the priority he was imposing on the Government to halt the rise in unemployment.

During the last three months the Government headed by Mr. Matti Miettunen, of the Centre Party, has moved steadily closer towards acceptance of the Bank of Finland's priorities. The FM1.1bn. (about £1.4m.) supplementary Budget it has produced, largely at Communist insistence, can have only a marginal effect on unemployment this year, and nobody, not even the Communists, expects that the newly patched up agreement on incomes will hold. The Social Democrats are in a real dilemma. On the one hand, they know the ability of the export industries to retrieve their sales in Western Europe depends on tight domestic monetary and fiscal policies. On the other hand, the Communists are making the running on employment promotion, constantly pricking the Social Democrats' conscience, and probably winning a few trade union votes.

Dilemma

It can be argued that the Communists, too, are in something of a dilemma as captive partners in a Government which is not going all out to create jobs. But they are seen to be pulling hardest against the majority trend, and they can always drop out at the politically opportune moment.

The economic facts are harsh. Unemployment has climbed during the winter to cover about 4 per cent. of the work force. Inflation last year was almost 18 per cent. There was no growth in GDP principally because of a 20 per cent. drop in the volume of exports, and none is expected this year.

The current account deficit last year was FM8.1bn., or 8 per cent. of GDP and the consequent borrowing has taken the net foreign debt to over FM20bn. or a good 20 per cent. of GDP. The reserves covered only two weeks' imports at the end of 1975.

The bank's target is to reduce the current account deficit to FM3bn. this year, relying on long-term capital imports of FM4.3bn. and presupposing a drastic damping down of domestic demand, which would leave the unemployment issue unsolved. Finland was criticised for introducing last March an import deposit scheme, which it undertook to lift after 12 months. Most probably the deposits will continue in adapted form until at least the end of this year.

The inflation rate with accompanying wage increases and a squeeze on profit margins has convinced many people within the key pulp and paper exporting companies that they can only maintain their competitive position by a devaluation—not in the immediate future but timed to coincide with the upward turn in west Europe. Devaluation is not a welcome thought for the Bank of Finland, faced as it is with a FM20bn. foreign debt and afraid for the smaller, sheltered industries.

The bank's policy depended heavily on an agreement for moderate increases of incomes. The one negotiated with the unions in January is undoubtedly a step in the right direction but its targets, limiting inflation to 5 per cent. and wage increases to 6-7 per cent. this year, are quite unrealistic. A number of strikes have already broken out over the past two weeks, including an unprecedented police strike, and the Communists have stepped up their attacks on the Bank of Finland.

Elsinore

At the Elsinore meeting Mr. Sorsa backed the policy of M. François Mitterand, the French Socialist leader, favouring co-operation with national Communist parties, but he added that the Finnish Social Democrats would maintain a strict identity of ideology, electoral programme, and organisation. They would not contemplate joint electoral lists. He pointed out that, despite losing two seats in the September election, the Social Democrats remained the largest party with 54 of the 200 Finnish parliamentary seats, against 40 for the People's Democratic League (SKDL), an alliance of opposition Socialists dominated by the Communists.

The Finnish Communist Party is divided into a majority, led by the chairman, Mr. Aarne Saarinen, which seeks to work within the Finnish democratic system without going as far as M. Georges Marchais in abnegation of Marxist-Leninist principles, and an orthodox minority faction strictly faithful to the Moscow line. The minority opposed SKDL participation in the Government. The split, developing ideologically in the middle 1960s, came into the open after Soviet invasion of Czechoslovakia in 1968.

For the time being the renewed co-operation in cabinet between Social Democrats and Communists is producing mostly complications and confusion, at least for the Social Democrat leaders. Consideration of short-term political advantages now seems to be gaining importance on both sides. The Social Democrats hope that division within the Communist Party over participation in the Government may lead to the majority and minority factions presenting different lists at the local elections in autumn. The Communists hope to gain electoral advantage from a well-timed exit from the cabinet.

The real differences about economic policy could result in the final breakdown of the central negotiating machinery between employers and unions. Current Finnish experience would seem to show that, even if ideological differences are discounted, co-operation between Social Democrats and Communists, even at the practical level in government is thwart wit difficulties—at least given the liberal, economic system.

Italian Socialists list aims

BY ANTHONY ROBINSON ROME, March 3.

THE LONG-TERM policy aim of the Italian Socialist Party (PSI) is to work towards a Left-wing alternative to the Christian Democrat-dominated power structure which has ruled Italy since the war, Sg. Francesco de Martino, Secretary of the PSI stated to-night in his three-hour opening speech to the party congress.

But he recognised that this required both an increase in the electoral weight of the PSI vis-a-vis the Communist Party (PCI) and the willingness of the PCI to participate in such an alternative rather than insist, as at present, on its strategy of alliance which includes Catholic political forces and which goes by the name of the "historic compromise."

In the intervening periods Sg. de Martino held out the prsopect of some form of alliance in Government with the Christian Democrats.

Sg. de Martino defended the PSI decision to provoke the last Government crisis in the interest of clarifying the political situation and forcing the Communist Party to accept a greater share of responsibility.

He also made clear that the PSI hopes to pick up votes from dissidents within the Social Democrat Party and is sympathetically inclined both to the radical party and the non-violent extra parliamentary left-wing groups.

He called for a major organisational effort to make the PSI more efficient and an end both to the division of the party into organised factions and the corrupt way of financing political parties in Italy of which, he recognised, the PCI itself was also guilty during the party's 12-year participation in various centre-left coalition Governments. He made clear that the centre-left formula so far as the PSI is concerned is dead and cannot be resuscitated.

Naples Left-wing success

BY OUR OWN CORRESPONDENT ROME, March 3.

THE MINORITY ALLIANCE of communists and socialists which last September took over control of the city of Naples on a minority basis of 33 seats in the 80-seat Council Chamber has won a major success by obtaining the votes of Christian Democrats, Social Democrats, Republicans and Liberals in the key vote on the city budget for 1976.

Faced with the communist and socialist parties psychological success in making a convincing start to the task of cleaning up the city, the more progressive elements in the Christian Democrat party as well as the other democratic lay parties have now in essence dropped their veto on co-operation with the communists in the city.

Calm trading session for lira

BY OUR OWN CORRESPONDENT ROME, March 3.

CALMER CONDITIONS prevailed in the Italian Foreign Exchange market to-day with the dollar/lire rate opening unchanged from the over night 791/793 lire. The rate weakened to 793 lire at the official fixing after minimal support by the Central Bank. Volume to-day was much lower than on Monday and Tuesday.

Meanwhile negotiations over the $1,000m. EEC loan are continuing between EEC officials the Italian Treasury and the Bank of Italy with the possibility of a decision being taken at the Community Finance Ministers' Meeting on March 15.

AP-DJ adds: Italian State's cash deficit last year stood at 18.6 trillion lire, about double that of the year before and well over the 14 trillion lire set as a condition for a large loan from the European Community.

Makarios denial on U.S. bases

THE GREEK Government, reacting with obvious sensitivity to any suggestion of outside interference in internal Greek affairs drew attention to a statement issued yesterday in Nicosia on behalf of the Cyprus President, Archbishop Makarios, in which he said that some words attributed to him in an interview with the Financial Times had been "misinterpreted."

This concerned a reference to U.S. military facilities in Greece, and in the interview with Dominick J. Coyle in Nicosia the Archbishop had indicated that, if necessary, he could appeal directly in the name of Hellenism to the Greek people to reject any American presence there. Last night's Athens statement quoted President Makarios as saying that he neither wished to nor could interfere in Greek domestic affairs.

Cyprus air base

Turkey is setting up an air base near Kyrenia in Turkish-occupied northern Cyprus, a Cyprus Government spokesman said yesterday, UPI reports from Nicosia. "Greek Cypriots, Turkish Cypriots, foreign nationals and settlers from mailand Turkey living in the area southeast of Kyrenia have been ordered to leave their villages within 15 days to make room for the settlement of military personnel from Turkey," Director of Public Information Miltiades Christodoulou told reporters.

Swiss buy dollars

Swiss dollar purchases to counter the upward trend of the franc have amounted to more than $5bn. in the last 14 months, Dr. F. Leutwiler, President of the Swiss National Bank, told a group of investment and money manageers in Geneva, reports David Egli.

Fortunately, he noted, the Swiss National Bank was able to resell some $4.1bn. to Swiss banks in connection with capital export transactions. The gross purchases on the foreign exchange market account for 140 per cent. of Switzerland's foreign exchange reserves and more than half of the monetary base, and had capital exports not largely offset the SNB's dollar interventions, the domestic money supply would have increased since the beginning of 1975 to the present by some 30 per cent.

Madeira bomb

Two bombs exploded in Funchal, Madeira, yesterday damaging the outside of a hospital and a car. Police said that no one was injured. A secret Right-wing separatist organisation, the Front for the Liberation of the Archipelago of Madeira (Flama), has been campaigning for the independence of the island, and is opposed by the Left, Reuter reports.

Mozambique declares 'war' on Rhodesia: FT correspondents in Southern Africa and London examine the implications of the move

More pressure on Smith but not a knockout blow

BY TONY HAWKINS

SALISBURY, March 3.

RHODESIAN businessmen reacted calmly to the announcement of the Mozambique border closure. Both organised commerce and industry stressed in separate statements that it had long been expected and that both Government and business had undertaken contingency planning against this possibility.

The Association of Rhodesian Industries (ARNI) in a statement which at least some businessmen felt to be complacent, said the closure was "an annoying and unnecessarily costly inconvenience which we anticipated having to contend with sooner or later." ARNI said it had frequently been reassured by the Government that contingency plans had been made, industry was confident that these would be put into effect as soon as required.

For commerce, an official spokesman said the political and military effects were likely to be more severe than the economic ones. The loss of the ports of Beira and Maputo would naturally have an effect on the flow of imports and exports. While the gravity of the situation must not be minimised, he said President Machel of Mozambique might find he had miscalculated and would end up the loser. The loss of Rhodesian assets in Mozambique was "serious," but it was impossible at this stage to say what amounts were involved.

Since late 1974 when Rhodesia opened its first and only direct rail link with South Africa (through Beit Bridge) there has been considerable diversification of Rhodesian rail traffic. It is hence believed that only about 25 per cent. of Rhodesian exports by value will be affected by the border closure. Oil is coming from South Africa as indeed are most imports, so that the impact on imports will be minimal. The

WHILE there was no Angolan Government reaction yesterday to the Mozambique move, an official spokesman for the ruling MPLA party made it clear that there was no question of the MPLA intervening directly with its own troops in either Namibia or Rhodesia, Jane Bergerol reports. Meanwhile in Lusaka, writes Our Own Correspondent, President Kenneth Kaunda welcomed the Mozambique decision and said that Zambia would fully co-operate with the moves. "The cause of Mozambique is the cause of Zambia, an attack on Mozambique is an attack on Zambia . . .," President Kaunda said. "The Blacks in Zimbabwe (Rhodesia) have nothing to lose. Victory is on their side and their freedom is in sight."

main exports to suffer will be the bulk commodities — both agricultural and mining. An obvious problem will be maize, but there are hopes—even expectations — here that Rhodesian maize will be purchased by neighbouring Zambia, Zaire and Botswana, so that the effect need not be too great.

The reaction of South Africa and Botswana will be critical. If Botswana were to cut the railway through Botswana to South Africa it would be an important blow (though not a knockout). But what is more significant is the possibility that South Africa may find it extremely difficult (perhaps for diplomatic and political reasons rather than genuine economic ones) to handle more Rhodesian exports. It would, however, be wrong to exaggerate this possibility because ever since 1974, South Africa has had it in its power to turn the economic screws on Rhodesia, but has failed to do so.

Many different sectors of the economy will be affected. First, and most directly, those exporting manufactured goods both to Malawi (one of Rhodesia's three main export markets for manufacturers) and Mozambique. Air Rhodesia has already suspended flights both to Malawi and Mozambique. The airline has assumed that the communications ban applies to overflying rights.

Exporters of bulk goods may lose orders because of delays and may well find that the cost of exporting through South Africa is higher than through Mozambique. In addition, there is the loss of both Rhodesian assets in Mozambique and of goods in transit. One estimate has it that there are some 16,000 tonnes of maize in Mozambique ports which will be lost.

The effects on Rhodesian payments must be adverse—not only because of the loss of export earnings and of invisible earnings from transit traffic for Zaire, Zambia (despite the border closure with Zambia itself), Botswana and Malawi. Costs of both importing and exporting may increase, especially from the higher South African rail rates announced to-day.

All in all, the border closure, while not unexpected, would appear to be based on the belief that Rhodesia is ripe for a "quick kill." Clearly none of the Southern African states can want to see a prolonged border closure and President Machel may well have calculated that his move will provide the extra push necessary to ensure further major concessions from Mr. Smith in the constitutional talks.

Finally, there is the impact on Rhodesian morale. Share prices fell on the Rhodesian stock exchange this afternoon and businessmen and investors alike wondered just how long the country can continue to bear up under the welter of bad news.

Parliament, Page 12

Members of Rhodesia's security forces pausing during a patrol in their border operational area. The Rhodesia-Mozambique frontier, writes Tony Hawkins, is 1,000 kilometres long and Rhodesia lacks the manpower to patrol it at all adequately. Consequently the guerillas' scope for increasing their border incidents is considerable, leading to increased pressure on the Rhodesian Government to strike across the border at the guerillas, whose strength, estimates suggest, is 2,000 to 3,000 with some 8,000 under training elsewhere, mainly in Tanzania. The main guerilla camp is thought to be in northern Mozambique, but there appear to be many small camps near the frontier with Rhodesia.

Vorster can still rescue Salisbury

BY STEWART DALBY

JOHANNESBURG, March 3.

WHILE South African government officials at all levels maintained a stolid silence on the news of Mozambique's bellicose statements to-day, it is clear that in a purely technical sense, Prime Minister John Vorster is in a position to rescue Mr. Ian Smith. The question is whether politically he can afford to do so. With external events flying at him so fast (first the collapse of the factions he supported in the Angolan war and now Mozambique's militant attitude) Mr. Vorster's policy of detente is now in limbo and he has been pushed further into a corner.

Rhodesia has been trying to move away from its dependence on Mozambique and has been helped by the opening of the Rutenga Beit bridge line just inside South Africa, which links up with the main rail lines down to Johannesburg and thence to Durban. Rhodesia now has two rail spurs into the republic, the other being the line through Botswana to Mafeking. This route is reckoned to work nearly to capacity with nine or ten trains carrying 6,000 tons daily. It would be a severe blow if it were cut off, although this seems unlikely, since Sir Seretse Khama's government in Botswana derives considerable revenue from the transit.

Mr. Vorster could help get Mr. Smith off the hook if he wanted to without too much dislocation to his own economy even if, as predicted, the South African economy does pick up and there is, through increased exports, greater pressure on the Republic's overused ports. The Government could also take more Rhodesian exports itself.

But observers believe that Mr. Vorster may not wish to go all the way in helping Mr. Smith because it would further erode South Africa's already frayed exercise in detente.

Mr. Vorster will probably attempt a compromise. Without overtly saying he is bailing out Mr. Smith, he will probably, diplomatic observers believe, allow some escalation of Rhodesian trade through South Africa. Whether this will be enough to keep Rhodesia economically viable over even the medium term remains to be seen.

The economic peril facing Mozambique

BY JAMES BUXTON

THERE IS little doubt that Mozambique will suffer economically at least as much as Rhodesia by imposing sanctions. Rhodesia, anticipating yesterday's move, had cut down the proportion of its trade using the railways to Beira and Maputo (Lourenco Marques). This trade had been an important earner of foreign exchange for Mozambique.

At the same time Mozambique has been importing from Rhodesia significant quantities of food and industrial products—particularly maize and everyday industrial goods. Some 86,000 Mozambiquans work in Rhodesia, and Rhodesia could prevent repatriation of funds.

The railways themselves have hitherto been important revenue earners for Mozambique, but with the imposition of sanctions both the lines between Dondo (which lies inland from Beira) and the Rhodesian border, and similarly between Maputo and the border, will become virtually dead, leading to unemployment among railwaymen and at the ports they serve.

Because of the layout of railways in this part of Africa (see map) the closure of the border will prevent Mozambique getting revenue from traffic between South Africa and Malawi (which goes through both Rhodesia and Mozambique) and from traffic between Botswana and Maputo. South African exports to northern Mozambique will be halted. Traffic from Zaire to Mozambique ports will end. The city of Beira — the second largest in Mozambique — can expect economic decline as its port loses business.

These blows will strike at an economy which has already been gravely weakened by the departure of most of the Portuguese from Mozambique, leaving the civil service and businesses operating on a shoe string. But there is little doubt that President Samora Machel is taking on new economic problems with his eyes open.

Indeed his government has, since independence in June last year, made a virtue of the fact that the Africans are mostly very inexperienced in Mozambique, and used this as an opportunity for trying to sweep away all vestiges of the past and to develop self reliance. Part of his speech yesterday was devoted to encouraging Africans to step up agricultural output to make up for the shortfall in imports.

Even if Mozambique does get the £24m. a year in outside aid which it is estimated it would need to withstand the effect of its sanctions, it must be questioned whether any sum would be able to ensure that there are no internal difficulties. Extra finance may be able to compensate for lost imports, but it can hardly prevent unemployment. The effectiveness of most Government organs in Mozambique is considered low. The security forces may be required to maintain order inside the country as well as fighting a guerilla war against Rhodesia.

U.K. pledge of £15m. as aid for sanctions

By Quentin Peel

COMMONWEALTH Governments are likely to-day to be "reminded of their obligation" to provide financial assistance to Mozambique to take account of the cost of imposing sanctions on Rhodesia.

The Commonwealth Sanctions Committee is holding a special meeting to-day in London, called at the request of Tanzania to discuss the position of Mozambique. The committee is expected to ask the Commonwealth Secretariat to investigate how that country can best be helped to bear the cost.

It is understood that Mozambique itself has not made any specific request for aid. But the Commonwealth heads of government, at their summit meeting last year in Kingston, Jamaica, agreed to provide "immediate financial assistance" on independence. Their final communiqué "emphasised the importance of taking immediate practical steps to assist an independent Mozambique in applying sanctions."

Meanwhile, the British Government has already made a definite offer of aid to President Samora Machel, agreed by the former Minister for Overseas Development, Mrs. Judith Hart, at a meeting in Dar-es-Salaam immediately after the Kingston summit. Mrs. Hart confirmed last night that the amount in the "understanding" was £15m.

No deal has been finalised, although Britain has now contributed some £300,000 through the UN refugee aid programme. Talks are still expected to take place later this year.

It has still not been decided whether the Commonwealth countries should offer aid to Mozambique individually, through the Commonwealth Secretariat, or through the UN Sanctions Committee.

There may also be proposals at to-day's meeting for a further extension of sanctions against Rhodesia. These could include pressure on Botswana to restrict Rhodesian use of the railway line from Bulawayo to Mafeking through its territory.

While the Mozambique decision to impose sanctions was not apparently dependent on any promises of aid, some support is vital to that country's economy, because of its reliance on imports from Rhodesia and exports to its neighbour for foreign exchange.

THE CAMPAIGN AGAINST TENG HSAIO PING

War for Mao's ear

BY A SPECIAL CORRESPONDENT

THE POWER STRUGGLE in Peking is apparently going against Teng Hsaio ping. If so the speed of his second fall from grace in ten years has been far more rapid than his first during the Cultural Revolution.

It took many months for his enemies to dispose of Mr. Teng at the outset of the Cultural Revolution. This time his political eclipse has been accomplished in a few weeks.

On February 9 the first posters began appearing in the universities denouncing him. By last week-end Teng was being named directly on university posters in Peking, and referred to as "that Capitalist Roader" in the People's Daily, which did not, however, name him explicitly.

A trade mission to China was told by a Chinese official that Teng had had a chance to remodel himself but had failed to rise to the occasion and it was "now too late." At the start of classes at Peking University on Tuesday, students were told he could be classed with the traitors Liu Shao-chi and Lin Piao.

Teng Hsaioping is probably headed for oblivion and his second bout of self-criticism and reform through labour. His enemies had less immediate success in 1966. In the early stages of the Cultural Revolution he was in good standing with a record which already showed him twice deputising for Chou En-lai during the premier's overseas visits.

He escaped denunciation at the eleventh plenum of the ninth party congress at which Liu Shao-chi, one time hero and heir apparent to Mao, was attacked and demoted. He survived until December of that year, when he made his last public appearance for seven years.

If the speed of his latest demise has been unusual and the vicious directness of the charges new, Teng will at least be familiar with the accusations against him. Ten years ago he was accused of sabotaging the socialist education campaign and opposing the agricultural policy—both criticisms which have been levelled against him again this time.

The events of the past few weeks have surprised all the experts here. The succession had seemed assured and the future path for China so carefully mapped out by Chou towards economic development and modernisation.

The balance of forces within the politburo seemed to favour the moderate pragmatic elements, as Chou had planned that it should.

But the balance of forces within the politburo is less important in contemporary Chinese politics than the ability of any faction within the politburo to reach the ear of Chairman Mao. The radical elements have far better access to the frail and ageing leader than the moderate groups. The fact is not surprising, given that the radicals include Chiang Ching, who happens to be Mao's wife.

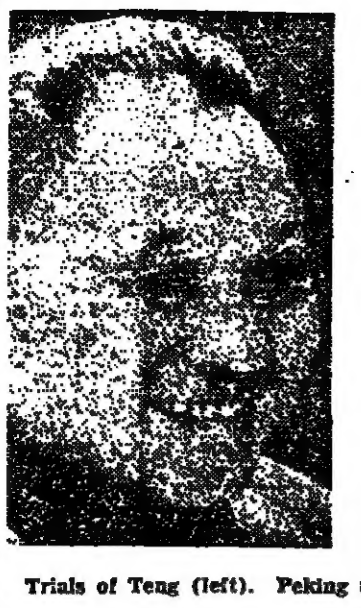
But those who seem to have won Mao's official backing for the anti-Teng campaign appear to be anxious to ensure the need to maintain order in the present fluid situation. They may emphasise class struggle as more important than stability, unity, or economic development combined. But they also want to assure people that stability will be maintained, and that the campaign is an orderly and disciplined one.

Even the radicals are well aware that last year's good production figures were due as much to the relative stability, which prevailed in the community, as to class struggle.

In the interests of stability they are unlikely to force Teng to make a public confession. A confession could unleash disruptive forces which Teng's detractors are anxious to keep carefully under control, mindful of the near chaos which resulted from the Cultural Revolution, and mindful, too, that Mr. Teng may still have considerable support in the army of which technically he is still commander in chief. The likelihood is that Mr. Teng will simply disappear from the scene and be expected to work on self criticism, no-one knows quite where.

There are longer term questions about stability. During the life-time of Chou En-lai it was he who controlled the avenues to Chairman Mao, and by so doing controlled which group or faction within the party was in the ascendant at any one time. The question now is what will happen to China's clearly tenuous stability when there no longer is a Chairman Mao, and no omnipotent higher authority to appeal to in the event of inner party power struggles.

Sydney Morning Herald



Trials of Teng (left). Peking university posters attacking "Capitalist roaders" have been aimed at the Vice-Premier.

'Capitalist roader' may have to step down

HONG KONG, March 3.

CHINESE senior vice-Premier Teng Hsiao-ping may be forced to step down in the campaign mounted against him by Chairman Mao tse-tung and the party Central Committee, a report quoted by Peking radio said to-day.

The report, by correspondents of the New China News Agency and the Peking People's Daily newspaper did not name 71-year-old Mr. Teng, but called him "that unrepentant capitalist roader within the party."

The report said Mr. Teng, a "bourgeois democrat" and hater of the great cultural revolution, had been accused of a host of political sins.

These included being the leader of the "right deviationist wind" that began last summer and having "organisations, plans, theory and a programme for his restorationist activities."

The radio, monitored here, quoted the report as saying that the campaign against Mr. Teng, who only last January was considered next in line to the premiership, was being expanded in a controlled manner in Peking's Tsinghua university.

The exposure of the unrepentent capitalist roader is a logical development of the current campaign, the report said.

This exposure is not only strongly demanded by teachers and students of Tsinghua university, but also earnestly desired by the entire Chinese people, it added.

Mr. Teng disappeared during the cultural revolution and resurfaced in 1973. He was named vice-Chairman of the party, first vice-Premier and Chief of the General Staff of the Chinese army last spring.

The report added he was a partner of disgraced former head of state Lieu Shao-chi in pushing the "revisionist line" in the 17 years before the cultural revolution.

Reuter

Marubeni chief resigns over TriStar controversy

BY CHARLES SMITH

TOKYO, March 3.

THE CHAIRMAN of Marubeni Corporation, Mr. Hiro Hiyama, who was the company's chief executive and president at the time of Japan's controversial decision to buy the Lockheed TriStar, resigned to-day to take "moral and social" responsibility for his company's part in the Lockheed affair.

Marubeni was Lockheed's Japanese agent when All Nippon Airways bought 21 TriStars for its domestic services in 1972 and has been accused by Lockheed's Vice-Chairman, Mr. Kotchian, of having advocated the bibery of Japanese officials. Mr. Hiyama himself has strongly denied direct involvement in the Lockheed case but two other Marubeni directors, who have already resigned their posts, have admitted signing the now notorious "peanuts" and "pieces" receipts for Lockheed. They too, however, have denied that they understood the puropse of the receipts or were knowingly involved in bribery.

Mr. Hiyana, who was Marubeni's president until the middle of last year, is widely credited with having been the main force behind the company's rapid rise to the number three position among Japanese trading companies. He remained a "representative" director of the company when he moved up to the chairmanship, meaning that he still has a vote at Board meetings, unlike many Japanese company chairman who do not have executive powers. Mr. Hiyama will lose his position as

THE LOCKHEED PAYMENTS

representative director as well as resigning the more honorific post of chairman, but will retain a non-representative directorship.

Mr. Hiyama told the Press to-day that he had offered his resignation from a number of other public positions including the Vice-Chairmanship of the Japan Foreign Trade Council, the industry association of trading companies. He said he was waiting to hear whether the resignations had been accepted. In the meantime Marubeni confirmed that it has been told by the city council of Sapporo, the capital of the northern Japanese island of Hokkaido, that its services will no longer be required in connection with underground railway project which the city is undertaking. Marubeni was the co-ordinator and main procurement agent for the Sapporo project for which some Yen 24bn. (£39m.) of equipment have been required over the past five years.

Mr. Hiyama's resignation from Marubeni's chairmanship means that three out of the four Marubeni senior executives who were summoned before the Japanese Diet two weeks ago in its Lockheed enquiry have now given up their posts (although all three will continue to work at the company in other capacities). The remaining senior executive is Mr. T. Matsuo who became president of Marubeni last year after serving under Mr. Hiyama as Executive Vice-President. Marubeni says that Mr. Matsuo will "definitely" not resign since he was neither directly implicated in the Lockheed affair nor in an executive position which gave him overall responsibility for it.

Marubeni confirmed to-day that it will cancel its agency contract with Lockheed although the company will continue to be responsible for executing import contracts which have already been signed. Marubeni says it will have nothing to do with any further business involving Lockheed including the import of parts for aircraft which have already been delivered.

Loan 'not used for payoffs'

BY JAY PALMER

NEW YORK, March 3.

Lockheed Aircraft this morning categorically denied that it had ever used funds received under its U.S. Government loan guarantee programme to pay off foreign officials.

The aerospace company, which makes the Rolls-Royce-powered L-1011 jet, also disclosed that it is now negotiating a new loan financing package with 24 banks.

Testifying before the Senate Banking Committee, Mr. Robert Haack, the company's new interim chairman, said that a "quarter-by-quarter examination of financial records since the start of borrowings under the (loan) programme shows clearly that Lockheed's foreign business has never been a drain on cash."

Mr. Haack's statement, which later went on to spell out steps that the huge aerospace company was taking to prevent future wrongdoings, coincides with an announcement from the Securities and Exchange Commission that it is now close to an agreement with Lockheed on the extent of disclosure of both future and past pay-offs.

Last autumn Lockheed disclosed that it had made covert payments totalling at least $22m. over the past five years to foreign government officials and political organisations. While the company originally maintained that such payments were essential to the success of its overseas aircraft sales, it subsequently promised to stop making such pay-offs.

Yesterday two further American companies testified separately about their individual experiences with foreign payoffs. While they took diametrically opposed views about the wisdom of such payoffs, they both agreed that the consequences of refusing could be severe.

The Rollins Company of Atlanta voluntarily disclosed that it had paid $127,000 over the past five years to local and municipal government officials in Mexico. The company, which has wide interests in broadcasting, alarm systems and fabrics admitted that such payments were illegal in that country but insisted that it would continue making them.

By way of contrast, Translinear, a privately-owned company in Dallas, Texas, announced that it had been forced to give up a partially completed project in Haiti because of a conviction that making payoffs would be both unethical and bad business.

The Texas company said that a "Hollywood grade-B gangster-type" claiming to be from the government of Haiti demanded a $500,000 payoff or face an endless runaround from department to department. When the company refused, officials testified "that this was exactly what happened."

Iran warns on trade

The Prime Minister of Iran, Mr. Abbas Hoveida, to-day repeated his warning that a drop in oil exports could affect relations with Iran's trading partners, reports Robert Graham from Teheran. Mr. Hoveida told a conference of Iranian and American bankers that "If obstacles should be placed on our exports, then the impact will be felt in our trade relations." His remarks emphasise the strength of Iranian feeling over reduced lifting by the oil companies and determination to stress that declining sales can affect Iran's import programmes. This is likely to be a major topic in discussions with British Foreign Secretary, Mr. James Callaghan, during his four-day visit which begins to-morrow.

Syrian move

Syria has decided to hold out for substantial Israeli withdrawals before agreeing to renew the mandate of UN troops on the Golan heights, reports UP from Tel Aviv.

The Jerusalem Post quoted a reliable Western diplomatic source as saying a high-ranking Syrian official told him Damascus would also insist on Israeli recognition of the "rights of Palestinians to a homeland."

Jordan pays more

King Hussein's Government has agreed almost to triple what it pays for oil from Saudi Arabia, but the Saudi Government will finance the increase, officials said on Wednesday, reports AP-DJ from Amman.

Jordan has been getting more than 5m. barrels a year from the line as it passes through, paying only $3.87 a barrel. The new price will be $11.50, the standard world price, the officials explained.

Bangkok blast

Five students were killed and four injured in a blast at an engineering college in Bangkok to-day which police said could have been caused by a dynamite device—Reuter.

Fischer to sue

Mr. Henry Fischer, the French-born Australian, at the centre of a storm over alleged money negotiations between Iraqi officials and the Australian Labour Party, said to-day he would sue three newspapers over reports of the controversy.

Mr. Fischer, 38, for whom police have been searching in Singapore, issued a statement through a firm of Sydney solicitors, which said he was not in Singapore but was also not prepared to disclose his whereabouts.

Arrests in Seoul

Nine prominent opposition leaders have been picked up for questioning for demanding the resignation of President Park Chung-Hee in violation of a special Presidential Decree banning anti-government activities, informed sources said on Wednesday, reports UPI from Seoul.

The nine were among 12 persons who signed an anti-Park administration statement read in a prayer session at the Myong-dong Cathedral.

Abu Dhabi taking over gas deposits

ABU DHABI, March 3.

PRESIDENT Sheikh Zayed Bin Sultan to-day decreed the nationalisation of all of Abu Dhabi's gas deposits. It was not clear from the decree if it applied to the other six members of the union. No indication was given about possible compensation to be paid for the take-over.

The decree states: "Gases which are already discovered or may be discovered in the future within the national boundaries of Abu Dhabi and gas produced from gas and/or oil wells are the sole property of the Emirate of Abu Dhabi." The boundaries include offshore waters and the continental shelf.

"Abu Dhabi National Oil Company (ADNOC) shall exploit the gases mentioned above either alone or jointly with others, provided that ADNOC's shares are not less than 51 per cent.," the decree said. "ADNOC shall provide free of charge to oil companies operating in Abu Dhabi gases needed for their operations."

The deposits were defined in the decree as including "associated gas, gas on top of oil reservoirs, natural gas not associated with oil, all elements in the types of gas mentioned above, which are methane, ethane, propane and butaine, and natural gasoline and butane and other condensates.

"The Emirate shall exercise her ownership rights as follows," the decree continues. "At the terminal points, where gas is separated from oil and at well heads . . . all rights of the Government of Abu Dhabi related to gas and contained in oil concession agreements signed by Abu Dhabi shall be transferred to ADNOC."

● Our Foreign Staff writes: Sheikh Zaid's decree follows the decision last November of the foreign participants in the Abu Dhabi Petroleum Company to pull out of the £800m. large-scale project for utilising Abu Dhabi's onshore natural gas. The companies—BP, Shell, CFP, Exxon and Mobil — were apparently not willing to take a 40 per cent. share in the project and the State-owned Abu Dhabi National Petroleum Company (ADNOC) decided in principle to take a 100 per cent. share instead.

The decree, specifically saying that both onshore and offshore gas belongs to the State, is the outcome of this decision, although it still holds out the possibility of outside participation in gas exploitation. About 1.3bn. cu. feet of gas are flared daily from the onshore fields.

French oil company sources with interests in Abu Dhabi said they were not surprised by the decree, reports AP-DJ from Paris. They point out that gas has been nationalised by all Arab hydrocarbon producers and that Abu Dhabi was expected to follow suit sooner or later.

Real growth of 5-6% in Indian economy reported

BY KEVIN RAFFERTY, ASIA CORRESPONDENT

AFTER A series of bad years, the Reserve Bank of India reports that the Indian economy is showing real growth of between 5 and 6 per cent. in the fiscal year which ends this month. Even allowing for a rise in population of about 2 per cent., such a growth rate still leaves a healthy rise in income per capita.

For the past few years Indian economic growth has fallen in real terms because of the burden of the Bangladesh refugees and the liberation war in 1971-72 and then the rise in world oil prices and the failure of the monsoon.

The growth leader this year is likely to be agriculture. India's crops are estimated at a record 114m. tons. But Indian officials say that the new discipline inspired by the State of Emergency declared in June has had beneficial effects in Government and industry and right across Indian life.

Mr. A. C. George, the Minister of State for Civil Supplies, recently said that the price of wholesale commodities in India had come down by 30 per cent. in the past two years and that there were now no shortages of any of the essential commodities.

K. K. Sharma adds: The National Council of Applied Economic Research views with optimism the prospects of the Indian economy in the coming financial year and has suggested a massive increase in investment by the public sector. In its pre-budget review of the economy the Council says that "with the current peak in the agricultural cycle, a favourable foreign exchange position and promising exports" a new vigour is needed for investment and the lead must come from the public sector.

The review confirms the official assessment that food grain production in 1975-76 will be more than 114m. tonnes—a record—and industry is likely to achieve a growth rate of six per cent.

With inflation firmly curbed and increased availability of foodgrains and agricultural raw materials there are "basic preconditions" for gearing the economy up to an all round improved performance. The Council takes an optimistic view of the balance of payments position and estimates the trade deficit at less than Rupees 9bn. in the current financial year, smaller than the Rupees 11bn. in the previous year.

PRACTICE WHAT YOU PREACH.

You are, no doubt, asking your company staff to cut out waste. And, at the same time, asking yourself how you can contribute.

In which case, may we suggest you look at your company car? If it's at all typical, it probably gives you little more than 15 miles to a gallon.

And you might decide that you'd set a better example if you arrived at work in an Audi 100.

According to Autocar, its overall mpg is 40% better than that of a Jaguar XJ 3.4. It has the added advantage of needing a major service only once every 10,000 miles.

But for all this, our car offers you a measure of performance and spaciousness that is at least as generous as that offered by its more thirsty competitors.

It also offers you such a degree of comfort that one admiring gentleman chose to drive an Audi 100GL for 17 hours continuously, and so set a world record.

Last, but by no means least, the Audi offers you a steering and braking system that can keep you on course if a front wheel skids or punctures. And, though other executive saloons may preach about safety, that's one particular feat they can't actually practice.

In short, the Audi 100 doesn't involve you in the sacrifices you might expect.

And the advantages? Well, how many companies who persist in following the extravagent policies of the past can hope to stay in business?

As you're always, no doubt, telling your staff.

Audi

AUDI 100LS ILLUSTRATED £3,298. PRICE INCLUDES VAT AND CAR TAX AND IS CORRECT AT TIME OF GOING TO PRESS. FOR AN INFORMATION PACK ON THE AUDI 100 WRITE TO AUDI CUSTOMER ENQUIRIES, PEMBROKE HOUSE, CAMPSBOURNE ROAD, LONDON N8 7PT. PERSONAL EXPORT SALES: 95 BAKER STREET, LONDON W1. TEL: 01-486 8411.

Curbs on spending backed by Jones

BY PHILIP RAWSTORNE

SOME public spending had to be restrained to help "convert our candy floss economy into a thriving industrial society," Mr. Jack Jones, general secretary of the Transport and General Workers Union, said last night.

He told a Labour Party eve-of-poll meeting in Coventry that the unions were discussing curbs with the Chancellor.

"But it is not really a battle about public expenditure—it is a battle for the very industrial heart and life of Britain. Are we to have jobs—to make things on which we can survive—or will we continue the drift into a phoney super-salesman's Britain where there are no jobs for working men and women, but plenty of secret bank accounts in Switzerland?"

The Government, backed by the unions, wanted a new direction in industry. "We are confident that Britain will pull out of the crisis and the people's interests will be served."

Peter Cartwright writes: The three principal candidates in the Coventry North-West by-election spent the eve of poll encouraging what appears to be a high proportion of "don't knows" to poll in their favour.

According to Liberal headquarters supporting Mr. Alan Leighton, no less than one in four voters have still not made up their minds.

While this ratio is not necessarily accepted, it is conceded that voting for the person, as opposed to be the party, is likely to have a substantial, possibly crucial, effect on the result.

An above average proportion of the 7,488 majority of the late Mr. Maurice Edelman is considered to have this category, and Mr. Geoffrey Robinson, despite being rather more middle-of-the-road Labour than many of his constituents wish, undoubtedly has the ability to win the same kind of support.

Mr. Jonathan Guinness, the Tory candidate is also able to inspire a strong personal following and is the one most likely to give Mr. Robinson a close fight.

Wool companies to close down

By Rhys David, Textile Correspondent

TWO YORKSHIRE wool textile companies, Crowther and Nicholson and W. and E. Crowther—are to close down with the loss of around 450 jobs because of continued losses.

The two companies, both in Huddersfield, are engaged in the woollen (as opposed to worsted) fabric trade which has been under severe pressure in recent years as a result of cheap imports from Italy.

In a statement yesterday Crowther and Nicholson said it made a loss of £114,000 on a turnover of £1m. in 1975.

The closure at W. and E. Crowther is to take place over the next 10 weeks. The company blames cash difficulties.

BA announces computer switch from IBM

BY CHRISTOPHER LORENZ, ELECTRONICS CORRESPONDENT

ONE OF the world's largest and most advanced computer users, British Airways, yesterday announced a double blow to International Business Machines: it is transferring the maintenance of IBM equipment to an outside consultancy, and it is going to IBM's competitors for more than £1m. worth of new equipment.

The news—IBM itself was told of the maintenance decision only on Tuesday—was revealed yesterday by Mr. Peter Hermon, BA's group management services director.

Mr. Hermon also announced that Saudi Arabian Airlines ("Saudia") had awarded BA a contract worth between £2.5m. and £5m. to provide a computerised reservation service over three or five years. This will help bring British Airways' cumulative profit from computer services for other airlines to at least £15.7m. by 1980, he forecast.

The equipment to be purchased from third parties is a combination of second-hand IBM products, including a large central processor, and new "peripherals" (especially disc and other storage devices) from so-called "plug compatible" manufacturers in the U.S., such as Itel and Memorex. These are designed to be plugged into IBM computers.

BA says its actual outlay for these products will be only about £1.26m., a saving of £3m. compared with the cost of new IBM equipment, according to Mr. Hermon.

Size of saving

The decision to move away from IBM service would give BA a "substantial" saving, Mr. Hermon said. He refused publicly to name a figure, but the airline will pay a total of just over £500,000 a year to Data Processing Customer Engineering, an Australian company. BA is understood to estimate that, to have continued with IBM service, with each supplier of compatible equipment maintaining its own product, would have cost a total of over £800,000 a year.

Underlining the significance of all these savings in the present economic climate, Mr. Hermon said that no "significant" computer user in the U.K. had yet made a similar move on maintenance. But Qantas, the Australian airline, had brought DPCE in about two years ago to maintain its IBM equipment. The consultancy also serviced Goodyear and Shell's computers in Australia.

Asked whether he had become dissatisfied with IBM's service, Mr. Hermon said "we have had problems from time to time." He could not say whether any similar move was likely from other airlines.

Commenting on the reasons for buying an IBM 360/65 computer second-hand — from Dier Computer Contracts (Australia)—rather than a model from IBM's more modern 370 range, Mr. Hermon simply said it was more cost-effective. "You don't have any unknowns. The software runs well."

A year ago, British Airways and several other international airlines were expressing concern about the performance of some of IBM's more complicated software. At about the same time, it became known that BA had called in an Australian consultancy to carry out a complete audit of its IBM-based BABS booking system, including the question of maintenance support.

New start on £20m. resins project

BY RHYS DAVID, CHEMICALS CORRESPONDENT

BORG-WARNER Chemicals is to resume work on a £20m. project at Grangemouth in Scotland which was halted last year because of the world-wide recession.

The project involves construction of two major plants, one producing the company's Cycolac ABS resin, which is used in cars, appliances, furniture and construction, and the other to manufacture MBS modifier resins for use in bottle, film and sheet and building markets.

The ABS plant which will increase the company's capacity at Grangemouth by 50,000 to 70,000 tonnes was halted in February last year with over half the work completed. The company says it is resuming the expansion now because of signs that demand for the material is strengthening and because the outlook for long term demand remains favourable. Per capita usage of ABS plastics in Europe is only one third that in the U.S. and the company is, as a result, expecting major growth.

The expansion, which is due to be completed by the end of 1976, increase the company's total European capacity to 140,000 tonnes.

The MBS plant, construction of which was also stopped early in 1975, is now due to be completed in mid-1977 and will adjoin the present ABS plant. Changes in plant design have been incorporated.

The new plant will produce 22,000 tonnes per year of MBS modifier and will be the biggest in Europe. In the U.S. Borg-Warner operates a 16,000 tonnes-a-year plant.

Until the project is completed the company will supply the European market with products from Kureha Chemical Industry in Japan, with which it has a manufacturing and marketing agreement.

Dow Chemical to raise polymer prices by 10%

DOW CHEMICAL is to increase the price of its polystyrene and other styrene-based polymers in Europe from May 1 by 10 per cent., and has warned that other price increases on a wide range of chemicals and plastics are likely to follow.

The company claimed yesterday that polystyrene, a plastic used widely in domestic appliances, furniture, toys and packaging, was now selling at 10 per cent. below January 1975 levels at around 29 U.S. cents per pound.

Yet during this period, Dow states, the price of naphtha, which accounts for 43 per cent. of polystyrene manufacturing costs, rose by 39 per cent. to $128.58 per metric tonne.

Mr. C. M. Doscher, Dow Chemical vice-president for marketing and purchasing, claimed that without increased prices for a wide variety of chemicals and plastics, expansion to fill future needs would not be possible and this could lead to serious shortages.

● Monsanto, a major world styrene and polystyrene producer, has purchased the holdings of Koppers in polystyrene and styrene monomer in Brazil.

Dealings in Lawdon suspended

By Michael Cassell, Building Correspondent

DEALINGS in shares of Lawdon, the Croydon-based residential property development group, were suspended yesterday at the request of the directors pending "clarification of the company's position."

The company said that negotiations were taking place with its bankers. Lawdon shares stood at 7p when the suspension took effect.

The last interim figures from the company, which was floated in mid-1971, showed pre-tax losses of almost £85,000, compared with a pre-tax profit of £136,000 previously. The Board reported that interest charges continued to eat into resources, and that figures for the full year would show no improvement on the first six months. Apolicy of reducing borrowings was being continued.

In November, the company announced that "in view of the continuing uncertainties surrounding the property and housing markets" it had requested an independent valuation of land and properties. This would be considered before publication of the 1974-75 accounts, which would therefore be delayed.

'Drop metric Bill', urges MP

Mrs. Shirley Williams, the Consumer Secretary, has been asked by a Conservative MP to drop the Weights and Measures Bill she introduced in the Commons on Tuesday.

Mr. Edward Taylor (Cathcart) says the Bill is clearly intended to ban the sale of food in pounds and ounces.

Output fall for BL, Vauxhall and Chrysler

By Terry Dodsworth

BRITISH LEYLAND, Chrysler and Vauxhall all suffered significant falls in production in January compared with a year ago. Of the big four British manufacturers only Ford managed to increase output, according to figures released yesterday by the Society of Motor Manufacturers and Traders.

Leyland's weekly average production was down from 16,500 vehicles in January, 1975, to 13,000 in January this year. Vauxhall production dropped from 2,800 a week to 2,300, while Chrysler's fell dramatically from 5,200 to 1,600.

The Leyland figure indicates that, despite the recent run of trouble-free production, it still has some way to go before returning to satisfactory output levels.

Chrysler was hit by the special circumstances of having to restart production after the various shut-downs during the Government rescue talks, so the February figures will be more relevant.

Ford output has gone up from 6,700 a week last year to almost 7,000 this year, reflecting the run-down of old Escort production last year and the high level of output the new model has achieved.

● A poll of the Society of Motor Manufacturers and Traders showed a four-to-one majority in favour of holding the 1978 Motor Show at the National Exhibition Centre at Bickenhill, near Birmingham.

A questionnaire sent to 800 members of the 1,500-strong society who have exhibited at Earl's Court in the past few years showed this majority for a trial run at Birmingham.

More commercial services face restrictive practices curbs

FINANCIAL TIMES REPORTER

ADVERTISING, road haulage, the travel trade, estate agents, hairdressing and a wide range of other commercial services will fall within the scope of the restrictive trade practices law on March 22.

The parties to price fixing and certain other restrictive agreements will then have until June 21 to decide whether to abandon their agreements or register them with the Office of Fair Trading.

Anyone operating an unregistered restrictive agreement after that date could be liable to proceedings before the Restrictive Practices Court and an action for civil damages, Mr. John Methven, the Director General of Fair Trading, warned yesterday.

The extension of the restrictive practices legislation to commercial services has been brought about by a calling up Order made under the Fair Trading Act, 1973.

Although the service sector was responsible for half the national output, Mr. Methven said his guess was that probably only up to 500 to 1,000 restrictive agreements involving services would be registered.

Registration is a preparatory step to defending an agreement before the Restrictive Practices Court, where the onus of showing that it is in the public interest rests with the parties to the agreement. Until the court has comes to a decision, the agreement can go on being legally operated.

But experience after restrictive agreements concerning the supply of goods were called up in 1956 demonstrated the difficulties of successfully defending an agreement before the court. Out of more than 3,000 agreements which were registered, all but 37 were abandoned before the hearings and eventually only 11 agreements were held by the court to be in the public interest.

Mr. Methven, who was speaking at a Press conference to mark the publication by the Office of Fair Trading of a "child's guide" to the registration procedure, said that many commercial and professional groups might be affected by the latest calling up order.

If they thought they [illegible] operating a restrictive [illegible]ment he advised them [illegible] sult a lawyer. "My staff [illegible] ready and willing to [illegible] the advice and help [illegible] can," he added.

For an agreement [illegible]garded as restrictive [illegible] have two main characte[ristics] two or more parties to [illegible]ments must be supplying [illegible] in the U.K. and two [illegible] parties must accept [illegible] relating to the supply of [illegible]

The restrictions can [illegible] charges, prices, fees, [illegible]sion rates, the terms [illegible]tions, the extent or [illegible] which business is to [illegible] or the persons, or the [illegible] places in or from which [illegible] is to be done.

Trade association recom[illegible]tions are treated as agr[illegible] But agreements for me[illegible] exchange of information [illegible] implication as to how th[illegible] should act in the light [illegible] information, are not [illegible] However, they may [illegible] be called up by a lat[illegible] under the Fair Trading [illegible]

City's 'new role' for industry

BY JAMES McDONALD

THE CITY should play a quite different role towards industry, asking more questions of more managements and exerting the rights and privilege of shareholders, said Mr. Michael Heseltine, MP for Henley and Conservative spokesman on Industry, in London yesterday.

"You cannot expect a society to understand why major companies were allowed to drift downhill for 15 years," he told a seminar on communiations in industry organised by Decimus Publishing. Where there was bad management over a long period owners should accept responsibility to do something before Government had "to pick up the pieces."

Mr. Heseltine, who wrote last year to the chairmen of the 1,000 largest companies of growing political concern at involvement of employees in their companies, said employers had acknowledged a significant failure to communicate effectivel[y with] employees.

Mr. Tom Jackson, [general] secretary of the Union [of Post] Office Workers, said [that] mutual confidence and [under]standing between uni[ons and] management could be [achieved] only by bringing down [the pre]sent "barriers of secre[cy sur]rounding management [decision] making.

"All too often the [board]room is where decisi[ons are] taken which affect the [illegible]

FT CONFERENCE — CITY IN FINANCE

Industry must 'double or quit'

THE FIRST signs of an end to Britain's recession are now appearing, Mr. R. E. B. Lloyd, chief executive of Williams and Glyn's Bank, said yesterday. "De-stocking seems to be coming to an end, the volume of exports is rising, unemployment is growing more slowly, and there is even a slight upward change in investment intentions."

With revival, demands for bank facilities would grow, continued Mr Lloyd, and eventually reliance would have to be placed on newly-generated reserve assets involving some change in the direction of the public debt policy.

There was a danger that industrial revival would coincide with the peak PSBR and that the City would be required to provide finance for both. This could mean excessive increases in the monetary aggregates, renewed inflation fears and, at some stage, higher interest rates.

Sickness

"It is fears like these," Mr. Lloyd told the Financial Times conference, The City in National and International Finance, "that lead some to feel that the Government's cuts in prospective spending programmes may become effective a year too late."

On the problems of under-investment in industry, Sir Frederick Catherwood, chairman of the British Institute of Management and the British Overseas Trade Board said that Britain's economic sickness was caused by the fact that investment and productivity per head was half that of competing Continental countries.

Britain had become a cheap labour country, Sir Frederick told the conference. Lack of investment had resulted in dependence on labour-intensive industries, with low added value, competing with South American and Asian exporters. Present living standards could not be maintained in this way.

But the country's margin of spare capacity for saleable products was slim compared with the huge and up-to-date capacity of Western Europe. "The owners must now decide whether to double or quit."

An investment boom, argued Sir Frederick, would eliminate most of the problems of public expenditure cuts. Cuts would then be essential to avoid inflation. An investment boom would also encourage the continuation of wage restraint. Investment in the newly tariff-free and buoyant European markets would mean more jobs and higher pay, and union co-operation might well be forthcoming.

It was not true, he claimed, that investment was held back by lack of expertise in the financial institutions. Neither would it be be held back by lack of good management in industry. "Management will go where the action is."

"People will only invest if they expect to make a profit," said Mr. L. F. Murphy, deputy chairman of the National Enterprise Board. "Exhortations alone will not produce investment."

The function of the NEB, Mr. Murphy continued, was not so much in dealing with the British Leylands of this world at the point of crisis, but to anticipate such situations before they became acute. In deciding what projects to support, the NEB would have to consider the likely return on the investment and the contribution it would make to the economy.

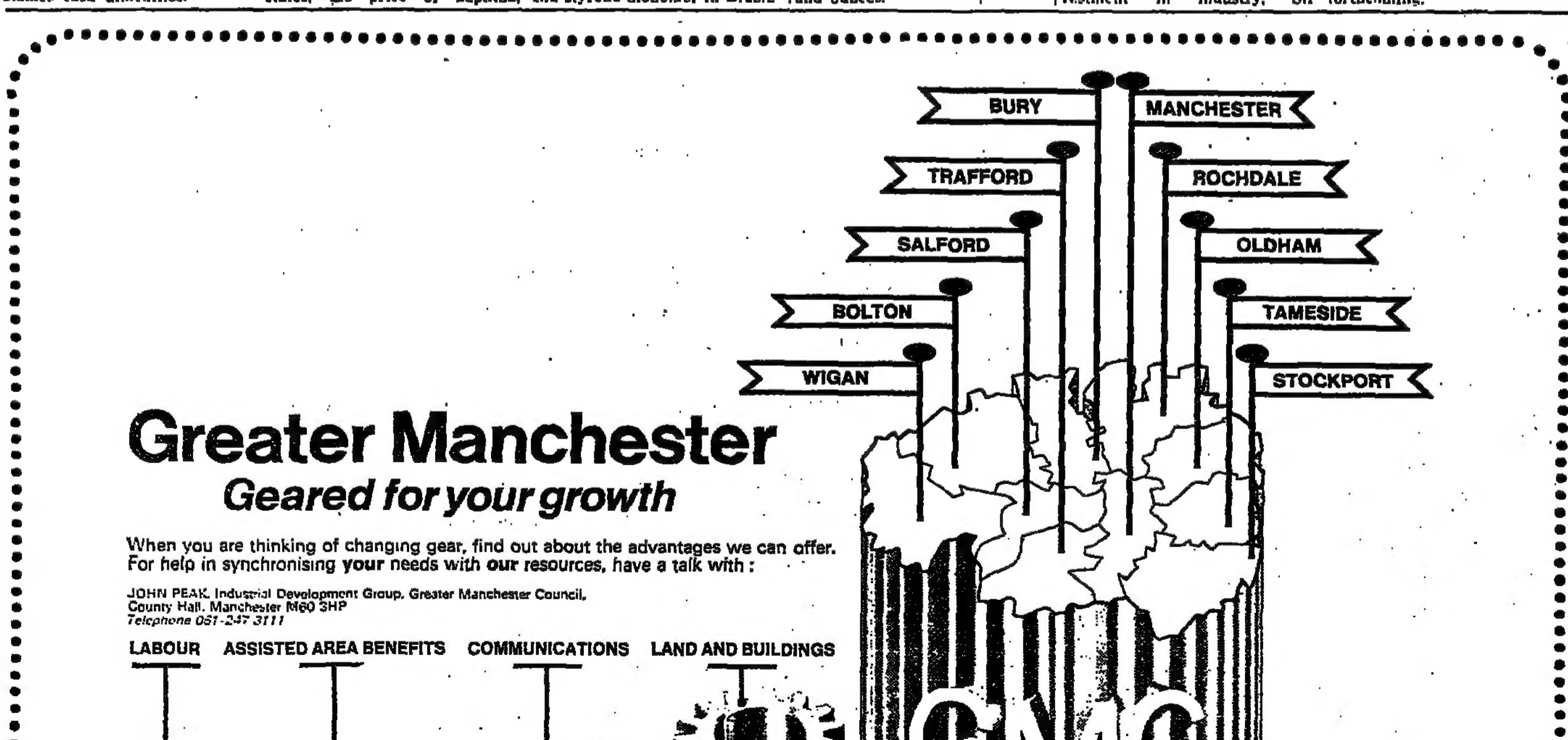
Priority

The NEB would also be looking for ways of restructuring sectors of industry. Eventually it might use its power to set up new enterprises, but in the short term it felt the most effective results would be achieved in partnership with existing companies with good growth prospects. It was also prepared to join consortia to bid for major turnkey projects overse[as, shar]ing in the risks and the [illegible] Government or Gov[ernment] agency participation in [illegible] was often looked on wit[h favour] by developing countries.

But the main priority [of the] NEB, insisted Mr. [Murphy,] would have to be the stre[ngthen]ing of the U.K. manufa[cturing] base.

Mr. Stanley Clifton[illegible] Parliamentary Under-Sec[retary of] State, Department of Tr[ade, said] that Britain's economic [illegible] were significantly grea[ter than] the temporary problems [of the] recession. If the indust[rial base] continued to be neglec[ted, the] future for the country, [and for] the City, would be gloo[my. That] was why the Government [attached] so much importance [to the] National Enterprise Bo[ard and] to planning agreemen[ts with] industry.

Other speakers at the [confer]ence yesterday were Mr. [illegible] Tindale, deputy chairm[an, Fin]ance for Industry; Sir [illegible] Villiers, chairman, [illegible] Mahon and Co.; Dr. [illegible] Hegazy, former Prime [Minister] of Egypt; Dr. Ludwig [illegible] chairman, Westdeutsche [Landes]bank Girozentrale, We[st Ger]many; and Mr. P. C. Day, [illegible] general manager, Barcla[ys] International; Mr. Edw[ard du] Cann, MP.



HOME NEWS

NVT sit-in may end soon with £750,000 sale deal

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

...E EIGHT-MONTH-OLD sit-in ... the Norton Villiers motor... le factory at Wolverhampton, ...w in the hands of a liquidator, ...expected to end next week with ... signing of purchase docu...nts by Mr. Ronald Titcombe, ... oil industry consultant.

...t is understood that the pur...se price of the factory is ...0,000, with an additional £2m. ... work-in-progress, plant and ...ipment.

...r. Titcombe, the Australian ...d of Arunta, an international ... industry consultancy, is one ... only two potential buyers. ...e other, a Cardiff businessman, ...pped out last week.

...When it was run by NVT the ...tory made Norton Com...ndos, and British Norton ...tnership has been created ...h an authorised capital of ...n.

...Mr. Titcombe will be manag...g director and chief executive ... BNP and expects to take an ...ive part in management, though day-to-day administration will be dealt with by his Arunta associate, Mr. Ian Craig, who will be appointed to the Board. The banks associated with the deal have the option of putting three representatives on the Board.

Workers will be able to acquire shares in BNP and will have six directors on the Board, four of whom will have voting rights.

The six are Mr. Jack Hales (engineering union convenor), Mr. Jack Everatt (Transport union convenor and chairman of the action committee), Mr. David Lloyd and Mr. Alan Baugh representing white-collar unions ACTSS and TASS. The two non-voting directors are Mr. Jack Padden (TGWU) and Mr. Ray Durman (AUEW).

Some weeks ago Mr. Titcombe recruited 26 management staff to prepare for the re-opening and to minimise the transition period and re-establish component supplies and marketing facilities.

Of the 100 or so machines already crated or nearly completed, about half are Interpols for police forces, some of which have been forced to buy foreign machines.

The Interpols are expected to be delivered as a priority to prevent total commitments that would cost the British Norton Partnership substantial business, including spares.

In addition there are components already in stock for another 300 machines or so.

During the sit-in two prototype machines have been produced, the Wulf with a revolutionary low-emission stratified charge engine, and the Norton '75 which except for the engine and frame, has all new components and features twin-disc front brakes and a new petrol economising carburettor.

EEC hallmark directive sparks opposition from U.K. groups

BY OUR MIDLANDS CORRESPONDENT

...GOROUS opposition to an EEC ...ective likely to remove the ...lest form of consumer pro...tion in the U.K. is being ...ganised by British Assay Offices ...d the British Hallmarking ...uncil.

It is argued that the directive ...perils the protection afforded ... the past 600 years by hall...arking precious metals, a form ... guarantee envied and admired ...roughout the world.

The directive provides for an ...EC mark for certain standards ... silver, platinum and gold ...ich in one instance is below ...e sterling standard and would ...t be allowed in the U.K. The ...lerances in assay are also ...garded as being too wide.

The hallmarking in this ...untry of precious metals and ...ticles made from them by an ...dependent organisation is taken ...r granted, but this guarantee ... available in very few other ...ountries.

In Italy, which has the biggest ...recious metals industry in ...urope the mark is applied by ...he manufacturer. Germany has ...o system, and in Denmark it is voluntary. In France and Holland the system is operated by the State.

The directive, if it came into being would demand that the EEC hallmark be accepted by other member countries without further submission to an assay office. This is quite unacceptable to the U.K. and the British Hallmarking Council is sending its comments to the select committee of both Houses of Parliament that considers EEC secondary legislation.

One complaint of members of the council against the directive is that it has two standards for silver, for instance, one of 925 parts in 1,000 (which is acceptable) and the other of 800 parts, which is well below the Sterling standard and would not be allowed in the U.K. The standards for platinum of 950 parts, and of 18 carat and 14 carat gold are also acceptable. What is not acceptable is the tolerances in assay allowed, for example that the lower silver standard need only be 795 parts in 1,000.

Some members also feel that inevitably the lower tolerance would become the standard and that the bad would oust the good with the result that in time the highly prized sterling standard would disappear.

Acceptance of lower standards would also, it is argued, open the doors to imports of inferior quality that would circulate on equal terms with the good to their detriment.

The Assay Offices fought a somewhat similar battle to preserve their services in 1969 when the then Board of Trade wanted to dispense with them, but was convinced of their necessity because of the protection it afforded to the consumer.

The Hallmarking Council also points out that there is an international convention on hallmarking that arose out of the former European Free Trade Area. Of its seven signatories—U.K., Portugal, Norway, Sweden, Finland, Austria and Switzerland—four have ratified it, the U.K. will shortly do so, and Portugal and Norway are expected to do so later. All seven countries have organisations for assaying and hallmarking.

U.K. research failings criticised

BY CHRISTOPHER LORENZ, ELECTRONICS CORRESPONDENT

...E FAILINGS of the British ...ecommunications industry ...y be attributable to a lower ...el of research and develop...nt spending than its con...ental competitors, rather than ...Post Office decisions, accord... to a report published to-day.

...o the March issue of its ...rnal, the independent, union...ked, Labour Research ...artment argues that, at pre...t, the industry's "competi... weaknesses" only have an ...act on its performance in ...ort markets and the private ...hange sector of the home ...ket.

...ut, combined with the EEC ...mission's plans to remove ...nical and other barriers to trade, the relatively low British research spending may result in a major increase in the Post Office's purchases of foreign equipment, the report warns.

Labour Research concludes that "the only answer to the industry's problems" may be an extension of public ownership; at the least it urges that the industry should be subject to an extensive planning agreement.

Initial private reaction to the paper from executives within the industry was that it touched on one of the keys to its performance, but that the gloomy statistical picture it presented was exaggerated, and that the poor recent export record was partly due to past decisions made by the public sector itself, in the form of the PO.

The most telling suggestions in the report are that Plessey and Standard Telephones and Cables (STC) were recently spending less than 3.5 per cent. of their turnover on research and development, compared with 5.7 per cent. by ITT Europe (excluding STC, one of its subsidiaries), 7 per cent. by Sweden's L. M. Ericsson, and 8 per cent. by Siemens.

Industry sources point out that corporate definitions of "development" differ, some competitors including so-called "engineering development," as GEC does. They also argue that the German context, in particular, is entirely different, since the Federal Post Office does far less R and D than the British P.O., and the high price it pays Siemens and ITT's German subsidiary) for equipment effectively includes a substantial element of research funding.

This partly—but only partly—explains why Siemens' reported 1974-75 spending on telecommunications R and D of £75m. was roughly double the estimated outlay by the entire U.K. telecommunications industry (excluding the P.O.).

As Labour Research admits, the comparisons are also complicated by the inclusion in some figures, but not others, of a major proportion of non-telecommunications equipment (Siemens in particular).

Berth for plastic ships at Yarrow

By Chris Baur, Scottish Correspondent

YARROW, the Clyde warship specialists, are to invest about £5m. in a covered berth at Scotstoun for building a new class of glass-reinforced plastic vessels for the Ministry of Defence.

The company expects the berth to be commissioned by the end of 1978. When it is fully operational by the end of the decade, about 600 jobs will have been created in addition to Yarrow's existing payroll of 5,000.

The Ministry of Defence has chosen the Clyde company as its second builder of these new anti-mine vessels. The lead shipbuilder is Vosper-Thornycroft, which is constructing the first 625-tonne ship, HMS Brecon, at its Southampton yard.

These vessels are said to be the largest glass-reinforced plastic ships built anywhere and are slightly larger than the navy's existing mine-hunters which are in the same class as HMS Bronington, whose command was recently taken by the Prince of Wales.

The new ships are designed to search for and sweep both acoustic and magnetic mines. Yarrow is currently building four Amazon-class frigates and two Broadsword-class frigates for the Royal Navy.

Top award for hi-fi company

ROLA CELESTION, of Ipswich, has won the Grand Prix award in the overseas products category of the 5th Japanese Stereo Components Grand Prix Contest with its new "UL6" hi-fi loudspeaker system.

The award, is given to only one product in the entire hi-fi component field each year.

SNOW REPORTS

	Depth (cms.) L.	Depth (cms.) U.	State of Piste	Weather	°C
Champery — Worn patches on all slopes	0	40	Fair	Fine	0
Crans — Snow hard, slush on top	15	40	Worn	Fine	4
Davos — Bare patches on all runs	0	40	Fair	Fine	8
Sauze d'Oulx — Spring-like conditions	35	80	Fair	Fine	7
Seefeld — Thaw continues	40	75	Poor	Fine	9
Val d'Isere — North facing slopes good	60	160	Fair	Fine	6
Villars — Very worn patches on lower slopes	10	70	Fair	Fine	10
Wengen — Good spring skiing	20	[illegible]	Fair	Sun	1

The above reports supplied by representatives of the Ski Club of Great Britain.

	L.	U.	Piste	Weather	°C
AUSTRIA					
Alpbach	20	50	Good	—	1
Brand	20	130	Good	—	0
Hochsolden	20	85	Good	—	−3
Obergurgl	55	125	Good	—	−4
NORWAY					
Finse	265	315	Good	—	−4
Oslo	45	65	Poor	—	−4
Voss	165	155	Good	—	−2
FRANCE					
Chamonix	10	120	Hard	Sun	—
Courchevel	40	123	Hard	Sun	—
La Plagne	80	100	Hard	Sun	—
Les Arcs	53	135	Hard	Sun	—
Meribel	25	120	Hard	Sun	—

SCOTLAND

Cairngorm—A few main runs complete, others broken. Spring snow. Limited nursery areas. Vertical runs 1,400 feet. Access roads clear. Snow level 2,000 feet.

Glenshee—No main runs complete. Patchy snow cover. Limited nursery areas. Wet snow. Vertical runs 500 feet. Access roads clear. Snow level 2,100 feet.

Glencoe—A few main runs complete. Spring snow. Lower slopes bare. Vertical runs 1,000 feet. Access roads clear. Snow level 2,600 feet.

Forecast: Dry, sunny spells.

WEATHER WATCH

A fully automatic weather station, said to be the first of its kind in the world, has been installed on top of the Cairngorm to aid climbers and skiers. The equipment, devised by a team from Heriot-Watt University, Edinburgh, warns of the sort of bad weather which could endanger climbers.

● NEWS ANALYSIS — COMPANIES BILL

Papering over the cracks

BY A. H. HERMANN

THE COMPANIES (No. 2) Bill published yesterday is another in the series of attempts to paper over the cracks in the Companies Act 1948 made since the Jenkins Committee pointed out the shortcomings of British company law in 1962. Some of the Committee's recommendations were incorporated in the Companies Act 1967 and a larger Bill to implement other recommendations and to deal with new problems, such as insider trading, was brought before Parliament in December 1973. This was abandoned after the February 1974 General Election when the Labour Government decided to start work on a much more fundamental overhaul of company law than had been intended by their predecessors.

Efficiency

Since this work is still in progress and the Bill published yesterday is a stop-gap measure. It was necessitated mainly by the alarm over the inadequate protection of shareholders and creditors revealed by the recent reports of Department of Trade inspectors on the insolvencies of London and County Securities and of the Lowson companies.

The fundamental change of concept which underlies the Government's work on the reform of company law reflects the change in industrial and social conditions since Victorian times in which the present law is rooted. The new concept views the company as a partnership between shareholders and employees but not to be managed in the interest of these two parties alone: adequate protection should be provided also for the public interest in the operation of companies, touching on such matters as consumer protection and environment.

Above all, however, the efficient management of companies is seen as the basis of an efficient economy and, on this argument, should not be left only to Boards of directors and auditors. The institutional changes resulting from this concept come under the heading of workers' participation in management or supervision, and suggest the appointment of Companies Ombudsmen, not only to act on complaints but actively to pursue the improvement of managerial efficiency in major companies. A British counterpart to the Securities and Exchange Commission of the U.S. might also be considered.

While the Government was studying these fundamental changes—and awaits the reaching of some sort of consensus on "industrial democracy"—it felt obliged to do something quickly to shorten the long delays in filing of company account—from two or three years, as permitted at present, to seven months for public companies and ten months for private companies.

It also proposes in the Bill that auditors who feel obliged to resign must either declare that there is nothing wrong with the company or say what is wrong with it. However, this remedy falls short even of the London and County Securities situation where the auditing firm did not resign and where one partner who saw irregularities had been replaced by another who did not see them. This arrangement will remain possible, without any public explanation of the changes.

Diluted

The Bill does little to increase the responsibilities and liabilities of directors or to strengthen their position when faced with a strong personality chairing the Board.

U.K. law requires the company director to exercise his powers in good faith in the interests of the company as a whole and to act with reasonable care and skill. The requirement of good faith and of honesty and integrity stands, but the requirement of reasonable care and skill has been watered down by judicial interpretation. The degree of skill and care is merely that which can be expected from a director in view of his knowledge and experience (City Equitable Fire Insurance Company (1925) ch. 407).

The blessings of incompetence were highlighted in the Hartley Baird case when the Department of Trade Inspectors, dealing with Board resolutions designed to disguise the true nature of certain financial transactions, wrote about Sir Harold Lydford that he was not a party to a breach of Section 54 of the Companies Act because "he had no experience whatsoever of the business world." However, in contrast with the City tradition of non-executive directors to rely on information obtained from the auditor, the Department of Trade Report on the London and County Securities Group criticised Mr. Jeremy Thorpe and other non-executive directors though these relied on audit accounts.

British ferry ports 'a disgrace'

BY OUR INDUSTRIAL STAFF

MANY OF Britain's Channel ports are "tatty, inadequate and downright unwelcoming," says the Automobile Association in its magazine Drive.

A report in the magazine, published to-day maintains that the majority of Channel and North Sea ferry ports are "little short of a disgrace."

An AA investigation of the 10 busiest terminals showed that only two came "anywhere near to providing services of a standard the public has a right to expect."

Too often in port reception areas basic comforts were absent, hygiene standards low and the choice of food "abysmal."

There was hardly any welcome for foreign visitors and on-the-spot tourist information, accommodation bureaux and car hire facilities were rarely available.

Such a state of affairs "cannot be shrugged off," as tourism and business travel are among Britain's top foreign currency earners, says Drive. With visitors pouring into Britain from Western Europe, the Channel and North Sea ports should provide the very best welcome.

The air ferry centre at Southend and the hovercraft base at Pegwell Bay, Kent, supplied pleasant, modern well-maintained facilities for travellers, but Folkestone was "found wanting in almost every respect" at the time of Drive's survey last summer.

The other ferry terminals surveyed—North Shields, Hull, Harwich, Southend Airport, Dover, Newhaven Southampton and London's Victoria Station—fell somewhere between the two extremes, though facilities at more than half of them were reported to be "poor."

Prices of plots for housing down 31%

By Our Building Correspondent

THE AVERAGE price of a plot of land for private housing development fell by 31 per cent. during 1975, according to the Department of the Environment.

For the year as a whole, the average market price was about £1,840 per plot and £42,000 a hectare. By far the greatest drop in average prices occurred during the first part of 1975.

The figures are based on transactions involving sites of four or more plots which were reported to the valuation office of the Inland Revenue during the year.

PARLIAMENT

Tory peer warns on drift to E. Europe-style economy

BY JOHN HUNT

A WARNING was given in the Lords yesterday that unless the right structural conditions for economic growth were established in Britain, we could cease to be a mixed economy by the 1980s and become a collectivised economy along eastern European lines but without East Europe's level of prosperity.

It came from the Earl of Gowrie, a Conservative front bench spokesman on Treasury matters in the Lords, speaking in a debate on economic growth.

To achieve the necessary conditions for growth, Lord Gowrie called for a real reduction in the rate of increase of Government spending and stressed the necessity for a "wind-down" of the Welfare State.

He claimed that Britain's slide to the bottom of the industrial ladder was almost complete but added: "We can still arrest our national decline and grab at the last few rungs of the ladder to start the long haul upwards again. But it is later than we think."

The Earl of Gowrie paid tribute to Lord George-Brown, who announced on Tuesday that he is resigning from the Labour Party. "Whatever our disagreements with him and his disagreements with us, he commands enormous respect as well as affection in the country especially as one of the three most able economic Ministers in the Labour Party's history."

He saw a danger in our reliance on an upturn in the world economy over the next 18 months and thought that this could prive to be a false dawn.

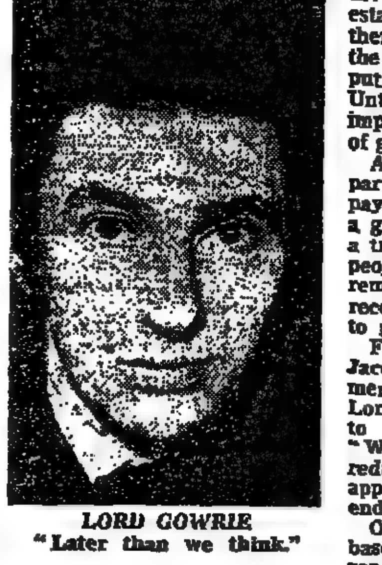
If our decline continued, the consequences could be the full collectivisation of our economy in the 1980s, he predicted. This could be brought about by the collapse of our lines of credit and our very vulnerable currency. "We would not be able to borrow so we would not be able to buy. Even passionate democrats could not run democracy in such circumstances," he added.

If this occurred, the standard of living of people on £1,500 to £4,000 a year would be cut by 25 per cent. at the most optimistic estimate.

"The risk of capital outflow would be so great that even a government that continued to pay lip service to democratic freedom would have to curtail entry in and out of the country," he declared.

The effects on our foreign policy, on Nato and on our chances of reducing the pace of the arms race would be "obvious and awful." He went on: "We must not say it can't happen here. It could happen here and, given the right circumstances, probably will."

To avoid this, we had to solve the growth crisis and try to avoid the "imposed collectivism" which could leave us with a living standard equal to that of East Germany 20 years ago.



LORD GOWRIE
"Later than we think."

One step the Government must take, he argued, was to achieve a real reduction in the increase in Government expenditure. Any growth of expenditure must be linked to a real growth in output over the economy. At present, however, overall growth was only 2 per cent. a year while overall Government spending had risen by 12 per cent. a year not even taking interest payments into account.

We had to recognise, he said, a collective task to wind down the Welfare State. We must establish in the public mind that there was a connection between the levels of manufacturing output and levels of social spending. Until the present imbalance was improved, we had little chance of growth.

According to Lord Gowrie, any party that suggested welfare payments should be run down in a gradual manner would invoke a tremendous response from the people of the country. "I do remain optimistic that we shall recover, but we have a long way to go," he concluded.

For the Government, Lord Jacques, one of Labour's spokesmen on Treasury matters in the Lords, said the first essential was to get inflation under control. "We are well under way to reducing the year-on-year rate to approximately 10 per cent. by the end of 1976," he claimed.

Our growth rate had to be based on exports. We must not repeat the mistakes of 1972-73 when the stimulation of domestic spending had resulted in imports rising much faster than exports.

But he did not believe that taxation was a principal cause of lack of confidence at the moment. Between 1964-74, taxation of company profits had declined from 14.9 per cent. of profits to 5.1 per cent. Our taxation, as a percentage of GNP, was the same as in Germany, but lower than in France and Scandinavia.

However, the same could not be said of our strike record. For every eight hours lost in Britain from industrial disputes, only three hours were lost in France and only 30 minutes in Germany.

He went on to make some criticisms of British management. There was strong evidence, he said, that management in many industries failed to monitor its decisions to ensure that they were carried out down the line. In many cases, management decisions were not made as speedily as they should be.

The Government, he said, was discontented with the average British growth rate of 2¼ per cent. — much lower than the growth in the economies of our competitors in Europe, America and Asia.

The Public expenditure White Paper was a timely reminder of the necessity for growth.

He argued that if our growth rate was the same as it had been before the present depression (2.4 per cent.) and if we limited our increase in public expenditure to one per cent. and gave priority to the correction of the balance of payments and to the resources necessary for the rate of growth, then the amount left for personal consumption would allow an increase of only 0.8 per cent. That compared with the growth of 3 per cent. in personal consumption in recent years.

But if we got a higher rate of economic growth of 3.8 per cent. and kept the rise in public expenditure once again to one per cent., we would then have available, for personal consumption, resources of 1.8 per cent. compared with 3 per cent. in recent years.

"The reasons for the need for economic growth in the next few years is spelled out very very clearly in that document," he maintained.

MP seeks equality in age of retirement

A BILL to allow men to retire at the age of 60 was given a first reading in the Commons yesterday. Mr. Greville Janner (Lab., Leicester W), introducing the Sex Discrimination (Age of Retirement) Bill, said it was not designed to force men to retire, but to enable them to do so if they wished.

"There can be no justification to-day for forcing men to soldier on to the age of 65, however ill they may be and however much they wish to retire, while women, who have equal rights in all other respects are able to retire at 60."

Mr. Janner said more than a million people were unemployed, most of them well and anxious to work. There were also 1m. people aged from 60 to 64, the majority of whom wished to retire but were unable to do so.

"We have people who do not wish to retire but who are forced to do so, and we have people anxious to have a decent and comfortable retirement required by our incredible system to work on."

A woman who retired at 60 could expect to live for nearly 20 years longer, but a man retiring at 65 could look forward to only 12 years before he died. "There can be no justification for this gross inequality."

Mr. Janner said the jobs of those who retired would mostly be taken by people at present unemployed. The gross cost of the measure would be £1.5m. a year, but there would be savings by cutting the number of unemployed.

The Bill would help young people, unhappy because they were unemployed, living on social security and unemployment benefit, to get a more dignified way of life for themselves and their families.

Mr. Janner said he had received a flood of correspondence from all over the country supporting the Bill.

Advice costs higher

THE COST of salaries of the "special advisers" to Ministers was £196,000 in the current financial year, compared with £169,000 last year, Mr. Charles Morris, Civil Service Minister, said in a Commons written reply.

Rowlands resists Tory Right's demand for Rhodesia arms

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

ANXIOUS PRESSURE in the Commons yesterday over the situation in Rhodesian elicited from the Government a promise to "consider carefully" whether the issue should be raised in the Security Council—on the grounds that southern Africa was now drifting towards racial war.

But Mr. Ted Rowlands, Under Secretary, Foreign Office, reporting to MPs on the Rhodesian situation, refused to be drawn into any enthusiasm for a course which would doubtless only invoke a veto from the Russians.

The Minister set himself to defuse contentions from the Tory Right wing that Mozambique had now virtually declared war against Rhodesia and that Britain should at least accept a responsibility to supply the white Rhodesians with arms to repel an invasion.

President Machel of Mozambique had not spoken of war against Rhodesia. "That is a wrong interpretation of the reports we have received," Mr. Rowlands insisted, and he reiterated Mr. Callaghan's message of the previous day.

"The easiest and simplest way of solving the problem is for the Smith regime to take action for a transference to majority rule," the Under Secretary said.

In this view, he was backed by the Tory frontbench spokesman, Mr. Christopher Tugendhat, who underlined the warning that unless the transition to majority rule took place quickly "the men of violence on both sides will gather strength."

This sentiment roused the shouted disaproval of those Tories who wanted Government acknowledgement that Rhodesia was still a Crown colony with rights to British assistance—military, if necessary.

Labour backbenchers charged into the argument with loud demands for an assurance that in no circumstances would assistance be give nor any action take nto help the Smith regime.

Mr. Rowlands pointed out that Mr. Calaghan had already made clear that there was no question of giving military support to an illegal regime.

Tory backbenchers urged him to condemn guerilla activity from Mozambique into Rhodesia. Mr. Rowlands said he condemned all military activity, and he returned to the main message: the Government wanted to see a peaceful settlement.

● The Government fully supported the proposals made for international aid to Mozambique which were to offset the effects of sanctions, Mr. Rowlands pointed out. He told the House that "we have been in contact with the Mozambique authorities with a view to sending out a team of officials."

Convention still arguing —as dissolution looms

BY OUR BELFAST CORRESPONDENT

THE Northern Ireland Convention, against a background of the continuing security crisis, argued its way to a conclusion last night, no further forward in the search for an agreed form of government for the Province.

The 78-member Assembly will be formally dissolved by the end of the week through an Order in Council requested by Mr. Merlyn Rees, the Ulster Secretary. The salaries of its members will cease in May, one year after it was elected.

Mr. Rees is expected to tell MPs in the Commons to-morrow that there is no hope, in the immediate future, of Ulster's politicians breaking the deadlock and that, in the absence of agreement on devolved government, the Province will continue to be governed by direct rule.

The Convention closed in the atmosphere of bitterness and intolerance which has marked political debate in Ulster for many years. The dominant Unionist coalition stuck firmly to its demand for an immediate implementation of its Convention report which calls for a return of majority rule and refuses to contemplate power-sharing in government with members of the mainly Roman Catholic Social Democratic and Labour Party.

The Government now faces an anxious period of direct rule against a background of threats from hard-line Loyalists who, if vague in their plans, are adamant that power, if not granted, should be seized.

The administration in the Northern Ireland Office at Stormont Castle is to remain and there is understood to be no question of Mr. Rees or any of his Ministers operating solely from London.

On the other hand, there are no plans for Ulster's politicians, having failed to agree among themselves, to be brought into any form of advisory council to assist the Government in running its services in Ulster.

Belief

Legislation providing for direct rule will be renewed in the Commons next July for a further year. It appears, too, that Mr. Rees will remain as Secretary of State for the time being, contrary to speculation that he is to move to another Cabinet post after the dissolution of the Convention.

The final agonising ... the Convention's four-... were dominated by a ... speeches from Loyalist ... some of whom issued ... of the consequences ... Government's rejection ... proposals.

To the last, many members of the Union... tion stuck to the belief ... proposals, rejected last ... by the Government, w... acceptable this time rou...

One of the most ... speeches—one which ... even some of his coll... came from Mr. Ernest ... deputy leader of the ... who said he would ... Protestant para-military ... who took up arms to ... bers of the IRA. He impl... in the absence of a ... security policy Pro... would be forced to deal ... security situation them...

Challenged by the SD... Baird refused to exp... remarks that Protestant ... proposals were rejected ... Government, would mak... rule unworkable and ... might take their own ... ensure majority rule.

Labour in Manchester accused of 'back-door negotiations'

THE CONTINUING controversy over the allocation of building schemes to Manchester Corporation's direct works department instead of inviting competitive tenders took another turn yesterday when the city's Labour leaders were accused of deliberately using "back-door methods of negotiation."

The charge was levelled at the city council when it rejected Conservative demands to invite competitive tenders for two big housing projects at Chorlton and Newton Heath. The council reversed, with the blessing of Department of the Environment, a previous decision to seek tenders from a select list of con tractors on the schemes. The contract will be negotiated with direct works as part of its continuity programme.

Mr. Cecil Franks told the council yesterday: "By doing this, we are being asked to deliberately avoid testing the market. We are being asked to avoid trying out direct works to see if it is an efficient department or not."

He added: "It is absolutely monstrous and disgraceful for this council and this city to do this for an organisation which has not been able to win a contract competitively for 16 months. A contract has been allocated through a deliberate back-door method of negotiation."

The controversy follows another involving the direct works department, which was recently awarded a contract for building a new estate in the Openshaw area despite the fact that a private building company submitted a tender for £19,000 less.

But Mr. William Risby, deputy chairman of the city's direct works committee, said in reply to the arguments put for the Conservatives: "We have saved the city ... payers millions of pou... using direct works. Th... ideological obsession with ... private profits before ... terests of Manchester ... payers."

Mr. Kenneth Collis ... that the direct works dep... had tendered for and w... petitively some 10 ... over the last five years, ... the corporation about ... collectively.

Mr. Allan Roberts, ch... of the city's housing co... said: "The reason th... been a long period recen... ing which the direct ... department has not w... competitive contracts ... because the yhave been ... to tender but because th... already won so many in ... tition in the preceding y...

Strathclyde protest on spending cuts

STRATHCLYDE'S Labour-controlled Council, which has cut £37m. from its £650m. budget for 1976-77 yesterday levied a domestic rate of £1.11p in the pound virtually a "standstill." But the decision was attacked both inside the Council chamber and outside.

Almost 1,000 workers, mainly busmen and local government employees, including teachers, with placards and banners catcalled and booed councillors as they arrived for the meeting.

Delegates from the Transport and General Workers union, NALGO and from the Educational Institute of Scotland, complaining about the effects of the cuts, were received by council leaders before the meeting.

Councillor Charles O'Halloran, chairman of the finance committee, in his budget address, defended the limitation of money available to the public sector. "We find ourselves not only in a no-growth situation but in what one might term a negative growth situation," he said.

"The decision to restrict public expenditure, especially in education and social services, is one that cannot be taken lightly by my colleagues and myself. It may be said to be contrary to the political philosophy which we have fought for and expounded all our lives. Every instinct tells us that community and social services should be expanded but to do so, in the light of the restriction in Government support, means a greater rate burden."

Mr. O'Halloran said that the priorities of the council's investment programme were geared to the eventual elimination of the social evils of deprivation. The council, he said, was opposed to the development of Stonehouse as Scotland's sixth new town.

"From the purely financial standpoint, I feel that in view of our deprivation problem and the need to concentrate our limited resources in our areas of priority we cannot afford the massive infrastructure investment which would be required of Stonehouse," he said.

Fireworks ba... 'would not lessen dange...

BANGER FIREWORKS h... saved from extinction ... because of the dan... youngsters who tried t... their own, Mr. Alan W... Minister of State, Pric... Consumer Protection, ... Commons committee yes...

But as a result of the ... ment's package on fi... safety announced last ... ber, 30m. fewer bangers ... be produced during the n... years, he added.

"My first instinct was ... rid of the banger altoget... is the sort of Guy Fawke... firework which teenage... and if one banned them ... was the very real risk th... would produce their own.

It was relatively simple ... a salt-cellar with ex... which could blow off a h...

Mr. Williams gave ... Government's support ... Explosives (Age of Pu... Bill, sponsored by Mr. ... Roberts (Lab., Cannock)... makes it an offence to s... works to young people un...

The maximum penalty f... offence, as well as for th... or discharging fireworks ... street, is to be increase... £20 to £200.

Party too set on keeping power—George-Brown

BY JUSTIN LONG

LORD GEORGE-BROWN last night accused the Labour party of being more concerned to stay in office than to face up to the country's problems.

His year of disillusionment with the party from which he had now resigned began after its 1974 general election victories, he said in an interview on the ITV programme "To-day."

"I thought my colleagues—now my ex-colleagues—would really take a grip of the situation and get the economy and financial policies going.

"But it has been a most expensive one year education course for Jack Jones that any nation should have been asked to undertake. We have now got vast taxation, an unsustainable inflation rate and an unsustainable overseas debt on which we have to pay interest."

Lord George-Brown dismissed the idea that the time had come to write an epitaph on his political career. He would still be in Parliament, even though outside any party.

On his fall the previous evening after giving an outdoor TV interview, he said: "I wish that one of these days I could do this sort of thing standing up." He pointed out that wearing bifocal spectacles, with about 50 journalists and photographers pressing round, the glare of TV and flashlights had half blinded him and he had missed his step.

Lord Wilson introduced

LORD WILSON of High Wray who, as Mr. Paul Norman Wilson, was appointed Lord Lieutenant of Cumbria in 1974, was introduced into the Lords yesterday. Lord Wilson is a former Governor of the BBC.

Ulster hospit... staffing conc...

MANPOWER in Ulster h... was giving cause for c... Mr. Roland Moyle, N... Ireland Minister of State, ... Commons Committee yes...

Mr. Moyle said that pub... penditure cuts would for... hospital programme i... Province to be trimmed. ... becoming increasingly ... to fill vacant consultant p... the smaller hospitals," he

هكذا من الأصل

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● AUTOMATION

Measures the passing biscuit

MEASURING accuracy of thickness of the intractable and highly variable raw material called dough, without contact, during on-line manufacturing has been solved by application of a high technology scanning device developed by Integrated Photomatrix of Dorchester, Dorset.

A team of engineers involved for some years in solving many measurement problems in industry has developed the "Heightscan Gauge" which measures thickness at a rate of up to 2,000 samples per second.

The gauge, initially designed for control of dough and biscuit thickness in baking factories, has many possible applications in continuous sheet processes, in the paper, plastics, and steel industry and quality control in other fields.

Nearly 1,000 semiconductor devices are packed into the scanning chip which has 128 picture points along a distance of just over ½-inch. The basic principle is that a light is projected at 45 degrees to the vertical on to the surface of the on-line product. As the height of the product from the conveyor surface varies so the slit of reflected light moves laterally and this movement is detected by a linescan camera.

Built-in units

Incorporated in the camera is a linear self-scanned photodiode array of 128 photodiodes spaced at 0.1 mm centres. Integrated Photomatrix has engineered this principle into a complete optoelectronic instrument. The heightscan gauge consists of a rugged waterproof optoelectronic head unit containing light source, optics and camera, and a back-up processor unit containing power supplies and electronics with analogue output and meter reading up to 10 mm full scale.

Quality factors were behind the search by United Biscuits for equipment to make thickness measurements on the production line for McVitie rich tea biscuits, of which 7m. daily are produced. Readings have resulted in an achieved resolution of 0.01 mm. United Biscuits fitted several of the gauges, which are linked with the temperature controls of the ovens, and measure the passing biscuit within the tolerance of the packaging machinery—a most important consideration.

Improvements in the heightscan gauge are foreseen, including using arrays with photodiodes on a 0.025 mm centre to centre space giving fundamental resolution to 0.025 mm. Both analogue and digital outputs can be provided for process control together with digital display.

Where no reference plane is available two heightscan gauge heads may be used back to back for absolute gauging of material thickness. Integrated Photomatrix is receiving enquiries for use of the gauge for quality control in steel coatings, plastic and paper industries. And one of Europe's largest engineering firms is evaluating IPL's gauge to measure stainless red hot steel rod to an accuracy of one twenty-fifth of a thousandth of an inch.

Integrated Photomatrix is at the Grove Trading Estate, Dorchester, Dorset. 0305 3673.

● LIGHTING

Dual use emergency fitting

ACCORDING to Bradley and Lomas (Electrical) there are still varying regulations in different areas concerning the application of fire precaution lighting.

As a result stockists and installers often find it necessary to handle both maintained and non-maintained fittings. A maintained unit is one in operation at all times switching to battery supply automatically on mains failure; a non-maintained unit only operates, through batteries, when a mains failure occurs).

The company has therefore introduced the Balec dual purpose "Afterglow" fitting, an eight watt fluorescent unit converted from maintained to non-maintained by disconnecting a single lead.

With a sealed, maintenance free nickel-cadmium battery, the system has an emergency duration of three hours, a re-charge time of 14 hours, and compliance with BS 764 1954. More from Kent Road, Sheffield S8 9RN (0742 581951).

● PROCESSES

Induction heater for small plants

WORK IS well advanced on an extremely simple form of induction heating for the smaller industrial plant, based on equipment which will take three phase mains current and derive from it 1500 Hz without rotating gear or thyristors, thus offering the simplest of maintenance at infrequent intervals.

The static frequency generator now approaching the commercial stage depends on the work of a Belgian engineer who has already successfully operated equipment of the same saturated circuit design to convert 10 kHz to 50 kHz in a tube welding application.

This was achieved despite claims by suppliers of conventional induction equipment that the circuits could not possibly withstand the forces created when current was passing. Ingenious cooling allowed continuous operation without any problems.

The Government is backing the development work to the extent of half the cost and equipment is arriving at site for the construction of the first 20-kW prototype. Magnetic sheeting with the required characteristics is being wound and tests should be completed by the end of the current year in time for the installation in January/February of a first small bar heater to treat metal prior to spring manufacture.

It is anticipated that similar equipment will begin to be used next year by manufacturers in brazing, swaging and melting work, with capacity to handle up to 50/100 kilos of bronze or brass.

Because of the apparent simplicity of the development—in reality many years of thought, experiment and calculations lie behind it—the promoters of the equipment envisage a growing demand from the developing countries who would not normally be able to field many engineers familiar with the intricacies of modern induction heating equipment.

The co-operative group that is running the project proposes to call itself Etudes et Promotions Industrielles (EPI) and to set up a manufacturing line in a new plant on an industrial estate near Bressoux. It has acquired the business of S. A. Fonderies and Robinetterie de Seraing et Bressoux, rue R. Geenen 82, 4001 Bressoux, Belgium, and all inquiries concerning EPI should be addressed there for the time being.

● COMPONENTS

The robots are round the corner

POTENTIALLY unbeatable competitive moves planned in Japan will be described by a speaker at the forthcoming conference on "The Cost Benefits of Effective Energy Management."

To be held at the NFBTE conference centre and organised by the Institute of Production Engineers and the Electricity Council, the one-day seminar is planned to include six half-hour papers with ample time for discussion.

The paper covering Japanese automation plans will be given by Mr. A. De Barr of the Machine Tools Research Association. It speaks of work towards a fully automatic machine shop the Japanese hope to have in operation by 1980.

Staffed by only eight controllers—instead of a labour force of some 800 in current conditions—it would turn out fully assembled items such as gearboxes in an environment which would be largely one that any labour force would consider quite unacceptable since heating lighting and special ventilation would not be needed.

Only the central office housing the eight operatives would have such "amenities."

From it, remote handling devices would help the tiny staff control all the work in progress. Energy savings would be very large.

Other papers at the seminar will deal with various aspects of electric power and heating in the production cycle.

Institute of Production Engineers on 01-579 9411 at 66 Little Ealing Lane, London W5 4XX. The seminar fee is £15.

● MATERIALS

Hose stays flexible

WIRE-braided high pressure hose which will remain flexible at −60 degrees C and yet can be used continuously at +120 degrees C is being manufactured from Hytrel, a Du Pont polyester elastomer.

It is now being made by Alenco Hilyn of Lockfield Avenue, Brimsdown, Enfield, and is claimed to exceed the performance requirements of the SAE 100 R1 and 100 R2 specification for wire-braided rubber hydraulic hose. Bore sizes up to 25 mm. are available.

● PACKAGING

Simple way to protect the goods

ROLLS OF lightweight packaging material which can be easily cut and moulded to suit a wide variety of uses, are being produced by Jiffy Packaging of Winsford.

The Jiffylite rolls have outer papers of extensible Kraft paper with a 7 per cent. stretch factor, and between these is a layer of expanded polystyrene beads to give a protective cushioning. The beads are held in place by a non-toxic, clear, waterproof thermoplastic adhesive, and the rolls have an indefinite shelf life with no delamination at freezing temperatures.

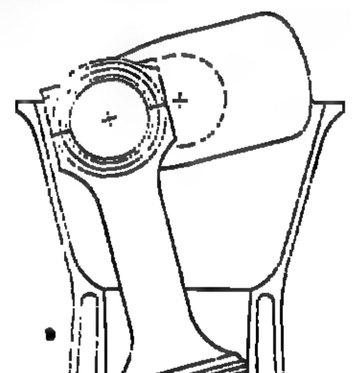
The material, in 50-metre long rolls and 1,000 mm wide is particularly suitable for items with awkward corners, as it can easily be cut for specific needs.

Jiffy Packaging Company is on the Industrial Estate, Winsford, Cheshire (Winsford 51221).

● TRANSPORT

Stubby piston cuts makers' problems

IMPROVEMENT and simplification of the internal combustion engine mechanism has been the aim in the design of an entirely new unit to be exhibited for the first time by W. Salzmann Fahrzeukonstruktionen, on the stand of ACS Automobile Club of Switzerland at the Geneva Motor Show, open on March 11. This engine has the advantage that it can be produced on existing plant and with mainly conventional tools. Four-stroke and two-stroke prototypes have been undergoing development, and research will continue with a diesel engine.



New in this engine is a skirtless piston and connecting rod assembly made in one piece—no gudgeon pin—and running in a short, waisted cylinder. This means that there is much less machining to close tolerances, and therefore lower costs. Moreover, the gas pressure always acts directly along the axis of the connecting rod, so there is no lateral component of this load to cause wear and noise—piston slap—in the cylinders.

Because the piston rocks back and forth in the cylinder, advantageous asymmetric port timing can be adopted for two-stroke petrol or diesel engines, and the compressed gas is transferred from side-to-side of the combustion chamber, thus encouraging complete combustion and low exhaust emissions in either two- or four-stroke engines. With such a short rocking piston of very light weight, the vibration forces are less than half as severe as those of a conventional engine, so fewer cylinders can be used without exceeding acceptable levels of vibration.

Another advantage of the skirtless piston is that the oil drag is very low. This means much easier cold starting than with a conventional piston.

W. Salzmann Fahrzeugkonstruktionen, Solothurn, Switzerland.

● METALWORKING

Butler has formula for success

WHILE MOST machine tool builders have been suffering a recession the Butler Machine Tool Company, of Halifax, seems to have found a formula for success.

This year's turnover is £4.2m., compared with less than £1m. six years ago, with just under 50 per cent. of production exported. According to Mr. B. L. Bailey, managing director, the trend is likely to continue, a confidence justified by an order book that is full for the next 12 months.

Success is attributed to a diverse range of products, and in particular to the development of numerically controlled (NC) lathes in the medium capability range. When developments in electronics and in electrical drives reduced the cost of NC systems, the company was able to produce an NC lathe well suited to the smaller machine shop at a highly competitive price—about half the usual cost for NC.

These lathes offered the company with a plugboard capstan automatic the opportunity of reducing setting time from the usual 6 hours for a fairly complex component to about ½-hour with the NC equipment. Instead of producing 500 workpieces as an economic run because of the time taken to set the machine (even though this number is not immediately required), with an NC lathe it becomes economic to turn 50 items.

Mr. Bailey estimates that for the cost of three similar capacity centre lathes, say about £20,000, installation of a Butler NC machine, enables the same amount of work to be carried out, to more consistent quality, with two less operators—metal cutting time (machine utilisation) is said to be at least 80 per cent. with an NC lathe.

This week Butler is holding an exhibition of its products at its works at Mile Thorn, Halifax, Yorks., (0422 61641), where 39 machine tools by Butler and its associated companies, Snow, and Elliott (all of the B. Elliott group) are on show.

Prime purpose of the exhibition is to demonstrate the new NC 630 heavy duty lathe. Principal features include a triangular section bed for maximum rigidity and ease of loading, 40 hp spindle drive and high performance dc feed motors driving recirculating ball leadscrews on all axes.

The machine is shown in two versions: a short bed chucking machine and a long bed machine with tailstock for shaft work. Both machines have General Electric two axis contouring control. Orders have already been received for three of these machines—the first will be delivered in June.

Another new machine, the CNC 550, is equipped with a dc infinitely variable speed headstock and a Minic 500 computer from Micro Computer Systems. There are two developments to the existing 550 NC lathes—a machine with power tailstock and another with twin four-station turrets.

Mr. Bailey's view that a convincing argument in selling NC lathes was the current shortage of skilled machinists—his company cannot find enough—was emphasised by the presence of another operator replacement: the NC 550 was being fed by an Electrolux MHU senior robot. The company hopes to sell a complete package of NC lathe plus robot.

● OFFICE EQUIPMENT

Prints on the move

A BATTERY operated scientific calculator that delivers a printed record of the user's calculations wherever he may go has been announced by Hewlett Packard of King Street Lane, Winnersh, Berks., RG11 5AR (Wokingham 784774).

Fitting into a briefcase, the HP91 is operated by rechargeable battery or mains and weighs less than 2½ lb overall. Dimensions are 9 x 8 x 2½ inches and the unit is priced at £310 including VAT.

Maths capabilities include log and trig functions (in degrees, radians or grads), rectangular to polar co-ordinate conversions and three separate percentage functions.

In statistics, the machine can perform mean and standard deviation, summations, linear regression, linear estimates and factorial. The HP91 has 16 addressable registers, an automatic four-register stack, a "last x" register for easy error recovery and four clearing options.

The thermal printer records on 2½ inch paper from an 80 ft. roll and the LED display has 10 significant figures plus two digit exponent. The print/display can be in fixed decimal, scientific or engineering notation. The machine works in RPN and a 250-pp. handbook is included.

ACCOUNTANCY APPOINTMENTS

EMA

FINANCIAL CONTROLLER

Hemel Hempstead **To £7,000 +car**

Data 100 Systems Ltd., the largest independent manufacturer of computer peripheral equipment in the world, increased dramatically in size in the U.K. last year, and forecasts similar growth for 1976.

Heading up the finance and accounting function, the Financial Controller will supervise 15 staff including several qualified and part-qualified accountants. Supervising the final stages of the computerisation of underlying systems, the Controller will interpret management information and recommend action to top management.

The Controller will be involved in a large number of projects, including capital expenditure appraisal, the continuing review and improvement of systems, and the control of rapidly growing business activities.

Applicants, aged 27-32, should be Chartered Accountants with industrial experience, preferably graduates. Please telephone or write in the first instance to Graham Webster, A.C.A., M.B.A., who is advising on this position.

E.M.A. Management Personnel Ltd.
Halton House, 20/23 Holborn
London, E.C.1
01-405 8362/3

Outstanding Opportunity with a British Growth Company

Financial Director

c. £8,500 + bonus and car

Hestair Limited is a substantial British Public Company with a turnover approaching £50m, a vigorous growth pattern and a high level of profitability. There are nine operating companies within the Group and our rapid expansion and plans for the future mean that we are constantly looking for first class executives.

We now seek an ambitious, professional accountant, aged 28-35, to fill the position of Financial Director for the Angel Toy Group Limited, which has a turnover of £7m from the importation and distribution of toys in the United Kingdom.

The successful candidate will have full *responsibility for* the financial affairs of the company, both in maintaining and improving internal systems, and in detailed monthly *reporting to the Group on tight schedules*. A priority during 1976 will be the installation of a new ICL 2903 computer and the development of sophisticated on-line applications.

The position combines wide responsibility within a small and tightly knit, autonomous team with *the stimulation* and career opportunities of a major group where promotion is based purely on merit.

For this exceptional opportunity we require exceptional *qualities*:

* a professional qualification
* *a proven record of achievement* with first class industrial companies
* experience with modern computer installations
* a high level of drive, objectivity and intelligence
* an ability to work steadily under pressure and to get things done.

The position is based in London and working conditions and fringe benefits are excellent.

If you have the experience, ability and ambition and are stimulated by the Hestair style of management, please *write, enclosing full curriculum* vitae to:

R. H. H. Nellist Esq., Financial Director, Hestair Limited, 10 Castle Hill, Windsor, Berks, SL4 1PD.

Hestair Limited

Chief Financial Executive

about £9,000 p.a.

In anticipation of an *impending retirement*, an important Division of a large International Engineering *Group requires a Chief Financial Executive*.

The job will carry responsibility for ensuring that *accounting practices* within the Division are maintained at the high standard of the Group, and for resolving any accounting problems in the U.K. and overseas companies comprising the Division. The Executive will also play a leading role in developing the *Division's corporate strategy* and undertaking major financial investigations and projects. Responsible to the Chief Executive, there will be functional responsibility for company accountants in the Division in association with the Managing Directors of the companies concerned.

Ideally aged about 35 and a C.A., the candidate *should have had experience in a manufacturing* industry. A knowledge of German would also be an advantage.

Salary will be negotiable, around £9,000 p.a., with the usual fringe benefits attached to a post of this importance. Location: Midlands. A seat on the Board is intended after proof of success.

Please reply in confidence quoting reference CFE5

David Sheppard,
DAVID SHEPPARD & PARTNERS LTD.
21 Cleveland Place,
London SW1Y 6RL

Financial Controller

c. £9,000 – Central London

Our client is a highly profitable UK group with £multi-million revenue derived from world-wide service operations in a technically sophisticated industry. One of its newer areas of business activity, with several subsidiaries, now requires an accountant to be responsible for all its *accounting activities. The turnover of this business activity is growing rapidly and already* exceeds £10 million.

This business activity covers the control of turnkey projects, maintenance contracts, equipment sales, leasing arrangements and technological consultancy world-wide.

It is essential, therefore, that the person appointed has had considerable experience in all aspects of financial and management accounting in a large international group and, in particular, of negotiating and arranging finance for, and maintaining detailed cost control of, engineering and civil contracts performed overseas.

The successful applicant must be a qualified accountant and should, ideally, be aged between 35 and 45, used to computerised accounting systems and be willing to travel extensively.

The starting salary will be negotiated in the region of £9,000 p.a.

Please write in strict confidence to us as the advisers on this appointment, quoting ref. 514/B and giving concise personal, career and salary details, to: A. C. Crompton,

Deloitte, Robson, Morrow & Co.,
34 Farringdon Street,
London EC4P 4DL.

C&L

Accountant for Management Consultancy

Coopers & Lybrand Associates Limited, Management Consultants, wish to recruit an additional qualified accountant capable of rising quickly to a position carrying considerable responsibility in assignment administration.

THE SUCCESSFUL CANDIDATE is likely to be

* aged 30-34
* *in a senior position in industry or the public sector* and probably earning between £6,000 and £7,500
* experienced in modern techniques of financial planning and control
* familiar with computer-based systems.

THE POSITION offers the challenge of solving problems in a wide variety of situations, and the opportunity for foreign travel. Basic U.K. salaries are supplemented by generous allowances on overseas assignments. There are excellent prospects for career development based on individual performance.

Brief but comprehensive details of your career and salary to date, which will be treated in confidence, should be sent to:

The Executive Selection Division – MSF 20/20,
Shelley House, Noble Street, London EC2V 7DQ.

DEVELOPMENT BANK

FINANCE DIRECTOR

A Development Bank in an Arab country is seeking a Fin Director for a minimum period of two years. He will be of a small top management team. His functions would inc *management responsibility* for internal accounting, disburse and collection procedures, financial planning, securing domestic international finance for the bank and possibly for its proj *investment of liquid resources, and* other financial functions.

Applicants must have professional qualifications in accounting managerial experience in banking in developing countries. Prefer will be given to applicants who are Arab speaking and those experience in development banks. Generous salary and ber *commensurate with applicant's background*.

If interested, please send full curriculum vitae to: *Box No. F Financial Times, 10, Cannon Street, EC4P 4BY.*

Finance Director

over £10,000 + car

Our client, a leading British group, is seeking a Finance Director for its major subsidiary – a *multi-location company with an annual turnover of* some £45m.

Reporting to the Managing Director, you will direct a sophisticated finance and accounting operation and become particularly involved in the areas of profit and long range planning, cash management and pricing. You will also have a significant part to play in the general management of the company and as a member of the Board will help to shape future business development.

Your training and initial post-qualification experience will have been with one of the larger *professional offices. Subsequently, you will have* gained experience of factory and management accounting in a sophisticated accounting environment. You will now be operating at a senior level, possibly with a multi-national company, in *which post you will have responsibility for cash* management and profit planning and will have worked closely with the Price Commission.

This key role offers a starting salary over £10,000, a company car and the usual large-company benefits – *plus* attractive career development prospects.

(Ref: W4755/FT)

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

Hyde Park House, Knightsbridge, London SW1X 7LE Tel: 01-235 6060 · Telex: 27874

PA

A member of PA International

EAL

HONG KONG MERCHANT BANKING to £12,000

Leading Hong Kong merchant bank with substantial capital resources and an excellent reputation operates internationally. It intends to expand further by recruiting one or more executives. The environment of both Hong Kong and the Bank is vigorous and challenging.

Candidates, aged 27-35, will have broad-based merchant banking experience both of loan facilities and corporate finance. They will show initiative, flexibility and determination. Salaries are negotiable to £12,000. Free housing. Low tax is an additional attraction. (PW984)

Candidates male or female should write briefly and in confidence to the Managing Director, Executive Appointments Limited, 18 Grosvenor Street, London W.1, quoting reference. No identities divulged without permission.

DUKES CAREERS

Specialists in

Accountancy Personnel

If you have an accountancy employment problem contact us first—we won't guarantee results but we will *offer* a 100% service to applicants and clients alike.

Telephone or write:

Carolyn Hackney,
DUKES CAREERS,
21 Liverpool Street,
London, E.C.2.
01-283 3081/6

FINANCIAL ANALYST

Mid/late 20s, circa £5,000 p.a. For group headquarters of Multinational Service Organisation, Brentford area. *Candidates (ideally graduates/accountants)* should be looking for concentrated business/financial planning experience with a market leader in a fast moving, highly competitive international field. Short duration, overseas travel approx. 8-10 weeks p.a.

Managing Director, Massey's Executive Selection, 100, Baker Street, W.1.
Tel. 01-935 6581.

CAREER ADVICE

Partnerships, Commerce/Industry, Taxation also Newly Qualified and Failed Finalists. Free, unbiased career advice—contact

Leslie Gibson,
L & J Appointments,
8-11 Mortimer Street, W.1.
Tel. 01-637 9621.

GROUP TAXATION MANAGER

SURREY £10,000+

Group engaged in food manufacture and *distribution* with a turnover in excess of £80 million is seeking a Taxation Manager.

Martin A. Coleman A.C.A.,
Astor Appointments,
94 New Bond Street, LONDON, W.1.
Tel. 01-493 6163.

FINANCIAL ACCOUNTANT

£5,500

Recently qualified A.C.A.s join small team of young qualified Accountants using *advanced techniques. Diverse* group which has grown from £2m. to £60m. in five years through acquisition, reorganisation and improvement. Senior Financial Management *in five years. Senior Appointments* 01-439 7901.

QUALIFIED A.C.A.

circa £7,500 + Car

Age approx. 35. Five to ten years experience as a *Financial Accountant* with management accounting and company secretarial duties plus light engineering company experience. Knowledge of French essential. North *London based engineering* co. (French parent company).

Mr. Lester. 01-405 1568.
Clayman Agency,
31-33 High Holborn, W.C.1.

Chief Accountant Up to £6750

The Housing Corporation has a new and enlarged role to stimulate the expansion of the housing association movement in England, Scotland and Wales *to provide more homes where they are most needed.*

The Chief Accountant controls a department, within the Finance and Accounts *Division*, which *administers* the provision of over £300 million annually in loans and grants to housing associations. He/she is also responsible for the Corporation's own internal expenditure and for the preparation of the Corporation's accounts. The forecasting, allocation and financial control of loan finance, together with the Corporation's accounting is to be transferred to a computer. The Chief Accountant will be responsible for the implementation of this computerisation programme.

Applicants should be qualified accountants with sound commercial experience and a working knowledge of data processing techniques. They should possess the essential drive and personal qualities to inspire and motivate both middle management and junior staff.

Excellent conditions of service include a superannuation scheme transferable within the pubic sector.

Please write giving details of your personal history and career to date to the Assistant Secretary (Ref. M1) The Housing Corporation, Sloane Square House, London SW1W 8NT.

The Housing Corporation

Export Finance

MERCHANT BANKING

Brandts require an additional executive, aged between 26-34, to join their Export Finance Division who provide finance under ECGD supplier and buyer credits. Responsibility will include the development of existing clients, identification of new clients and the generation of new business.

The appointment will interest those who have several years' experience with ECGD and with negotiation and completion of contracts, probably gained in a finance house, an exporting company or a merchant bank.

For the right person, salary and prospects are extremely good. Fringe benefits include subsidised mortgage assistance.

Applications with full career details, which will be treated in the strictest confidence, should be sent to:

T.C.H. Macafee Staff Manager
Brandts Limited
36, Fenchurch Street, London E.C.3

Brandts
The Merchant Bankers

PARTNERSHIP

A leading West End firm of Chartered Accountants offer a partnership. Applicants aged 27-35 should have senior managerial experience including modern audit procedures, investigations and other special work. The initial salary will be up to £8,500 per annum with a substantial increase on entering the partnership provided there is mutual compatibility. This is an exceptional opportunity to join a progressive and congenial team.

Apply Box A.5323, Financial Times, 10, Cannon Street, EC4P 4BY.

GENERAL APPOINTMENTS

Insurance Company Administration

Salary circa £4,500

A substantial and long established Public Group, *comprising upwards of 100 companies operating in the UK* and internationally in Insurance, Banking, Shipping and Financial Services require an energetic ACIS with a sound insurance company background.

Initially, as a member of the Group Secretary's team, there will be a requirement to provide support for the *Company Secretaries of the Insurance Companies within the* Group. The Secretarial Department is centrally organised to provide the boards of Companies within the Group with a *highly professional service backed* up by specialised systems using modern word processing techniques.

The successful candidate will probably be under 30. An ability to communicate, both orally and in writing, at all levels is essential.

The location will be in The City of London and benefits and conditions of service are excellent.

Please apply, giving details of career to date, to Position No.AKJ 5508, Austin Knight Limited, London W1A 1DS.

Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter to the Position Number Supervisor.

AK ADVERTISING

J.F.L. CITY OFFICE

247 1388

EUROCURRENCY ASST. exp. in commercial credit work a clearing bank essential. £2,700.
PROFIT AND LOSS ASST. for Foreign Exchange dept American Merchant Bank. AIB useful. c£3,500.
ASST. TO COMMERCIAL MANAGER for small loans dept merchant bank. Relevant banking exp. essential, AIB use £3,500 neg.
TRUST ACCOUNTANT recent ACCA or someone exp. in sonal taxation for profit and loss work and accounts to Salary neg.
INVESTMENT ANALYST under 27. Economics/Accounta discipline. To back up small team of fund managers. 2 ye exp. essential. c£4,000.

Ringe Patrice Ware for details

JUDY FARQUHARSON LTD.
J.F.L. CITY OFFICE
Stonehouse, 128/140 Bishopsgate, E.C.2

COMMODITY VACANCIES

METAL TRADERS (Physical & L.M.E. c.£6,000). MANAGER/DEALER (M company based Switzerland—Swiss work permit necessary). EDIBLE TRADER/MANAGER (c.£10,000 basic). TRADER (Beans, pulses c.£7,000 ba PHYSICAL COPPER DEALER (£6,000—£10,000 basic). ACCOUNTANTS (commodity experience £6,000+). POSITIONS CLERK (coffee trading c.£3,4 BACK UP DOCUMENTS CLERKS (E.C.3. and W.1 c.£3,500).

Write or Tel. Charterhouse Appointments, 9, Great Newport Str London W.C.2. (01)-836 2377.

Recruitment specialists for the Commodity Markets.

HOTELS

SPA HOTEL

TUNBRIDGE WELLS

For business or pleasure. Set in own grounds and adjoining 9-hole golf course. 80 well appointed rooms and conference rooms. Fully licensed.

One hour from Charing X
Conferences arranged
Tel. 20331-2-3

STOCKBROKERS

Small firm of Stockbrokers have *opening for additional Partner* with sound business.

Please write Box A.5456, Financial Times, 10, Cannon Street, EC4P 4BY.

APPOINTMENTS WANTED

TOO YOUNG TO RETIR

Ability, energy, resourcefulness application offered by middle qualified, C.I.S. and C.M.A. (re *redundancy casualty in the trade re* sion), with long and sound experi in O & M, data processing, syst and administration.

Seeks post which will provide satisfaction. Any location conside *Telephone Southport 76869 or W Box A.5457, Financial Times, 10, Cannon Street, EC4P 4BY.*

GENERAL APPOINTMENTS

CJ RECRUITMENT ADVERTISING

35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374

Scope for considerable development into new areas in financial and investment analysis in the short term.

CJRA FINANCIAL ANALYST—INSURANCE

CITY **£4,000—£6,500**

LEADING INTERNATIONAL LLOYD'S INSURANCE BROKERS

This new vacancy calls for candidates, aged 25-35, who must have acquired at least 3 years' insurance experience, ideally with an accounting involvement. The successful candidate, who will work closely with the Group's Chief Financial Analyst, will be primarily responsible for the analysis and interpretation of insurance companies' accounts and the formulation of appropriate recommendations for the Board. Numeracy, the capacity for sound commercial interpretation and forceful presentation are important. Initial salary negotiable £4,000-£6,500 plus contributory pension, free life assurance: assistance with removal expenses if necessary. Applications in strict confidence under reference FA18584/FT will be forwarded unopened to our client, unless you list companies to which they should not be forwarded in a covering letter marked for the attention of the Security Manager:

CAMPBELL-JOHNSTON RECRUITMENT ADVERTISING LIMITED, 35 NEW BROAD STREET, LONDON EC2M 1NH.

FOREIGN SECURITIES CLERK

Small city based International Bank require a person to join a compact securities team. The successful applicant will be aged 24-25 with a comprehensive knowledge of Euro Bond administration and foreign securities transactions, with a working knowledge of U.K. Stock Exchange procedure. Competitive salary plus fringe benefits.

For further information ring:
J. B. RIZZO, 01-236 6832

ALFRED MARKS BUREAU
Stockbroking and Banking (London) Division.
88 CHEAPSIDE, E.C.2

STOCKBROKERS

Medium-sized brokers require Manager/Senior Executive for Management vacancy. Extensive office experience essential. Salary negotiable. Full details in confidence to Box A.5455, Financial Times, 10, Cannon Street, EC4P 4BY.

Senior Dealer

S.G.Warburg & Co. Ltd.

The Bank wishes to engage an additional senior and highly experienced Dealer, who has a sound knowledge of Foreign Exchange as well as Currency Deposit Trading.

The position will offer considerable scope to participate in all the Bank's business through the generation of new ideas by the use of well-grounded skills acquired in the market over a number of years.

No age limit is stipulated but someone in their early thirties appears to be best suited to the vacancy. The position arises from an extension and widening of activities.

The salary will be negotiable but will be well into five figures and it will be supplemented by normal fringe benefits.

Please send a full curriculum vitae, in complete confidence, to:—

P. K. Marlow, S. G. Warburg & Co. Ltd.,
30 Gresham Street, LONDON EC2P 2EB.

General Manager

Bank of Bahrain & Kuwait

Bahrain

This bank, established some 5 years ago, is backed by a consortium of Bahraini citizens and well-known Gulf banks. Directly reporting to the Board, the General Manager will be responsible for the profitable deployment of the Bank's resources and the further development of a full range of foreign and domestic banking services in what is now becoming one of the most important banking centres of the Middle East.

Candidates, aged up to 55 years, will have had previous relevant experience in international banks abroad; this should be supplemented by knowledge and experience in foreign exchange and Eurocurrency operations. Fluency in a second language and/or Arabic would be useful.

Tax-free salary of £12,000 plus bonus, free house and car and very generous allowances for services, medical benefits, etc. Re-location and holiday fares paid, 3-year renewable contract.

Please write – in confidence – to J. M. Ward ref. B.41277.

MSL *World wide*
Management Selection Limited
17 Stratton Street London W1X 6DB

CREDIT ANALYST

required for
busy Merchant Bank

Good prospects for experienced applicant. Accounting qualification an advantage.

RING 01-283 3122, EXT. 264

TAX WIZARD ? ASPIRING TAX WIZARD? CITY BASE

TOP TAX CONSULTANCY TEAM SEEKS ADDITIONAL MEMBERS

Career minded, you will preferably have qualified as an accountant or barrister and have specialised, or wish to specialise, in tax.

Established over five years as a leader in the field of sophisticated tax planning and problem solving, our tax consultancy subsidiary advises a wide range of corporate, partnership and personal clients.

Headed by one of the country's leading authorities on taxation, the consultancy provides a stimulating and challenging environment for creative original thinking. Opportunities are also available for contributing to our range of training courses and business publications.

A sophisticated remuneration and fringe benefit package is offered and career prospects are exceptional.

If you would like to arrange an informal meeting, please send me full personal and career details, marked private and confidential.

Geoffrey Shute,
Managing Director,
Financial Techniques Limited,
8 Wardrobe Place,
London EC4V 5HR.

The Financial Techniques Group

Senior Investment Analyst

Due to a recent development programme, our Client, one of the City's most respected Member Firms, is now able to offer an exceptional career opportunity to a senior analyst experienced in:—

Building & Construction

Candidates will have acquired in-depth knowledge and a high degree of technical expertise in this sector. A highly competent research background is a prerequisite.

Remuneration will be by negotiation, but will be sufficient to attract the high calibre senior analyst required to fill this position.

For full details
telephone Geoffrey Mountford
on 01-405 3499

Lloyd Executive
Bowater House, 50-51 High Holborn, London WC1V 6ER

CAPEL-CURE MYERS LIMITED

LONG GILT SALES

We require an additional Sales Executive to concentrate on servicing Institutional Clients on Long dated Gilts. For this the successful applicant will be able to rely on extensive economic research coverage, as well as specialist statistical and mathematical services.

This is a senior appointment and a substantial salary and profit share is available for the right candidate.

Please apply to:
Managing Director of Gilt Department
CAPEL-CURE MYERS LIMITED
Bath House
Holborn Viaduct
London EC1A 2EU

TREASURER

BELGIUM

We are part of an international transportation group, which has its European Head Office located in Antwerp. The Antwerp company employs 100 people, has ten subsidiary offices in seven European countries, and is responsible for annual sales of $30 million.

Due to a recent expansion, the company has decided to seek a senior executive to fill the newly-created position of Treasurer. The functions embrace full responsibility for all European treasury matters.

Candidates will be qualified with a proven record of management achievement and having experience in controlling a multi-currency treasury operation throughout Europe.

The successful candidate will enjoy the challenge of collaborating with a youthful executive team working together within an effective growth policy. Salary entirely open.

Please apply in confidence with full career details to:

Peter Twiss,
EUROCANADIAN SHIPHOLDINGS (U.K.) LTD.
World Trade Centre, London, E1 9AA.

FINANCIAL PRINT EXECUTIVES

Williams Lea is the fastest growing financial printer in London. We are the largest company in an expanding and profitable group whose policy is to promote from within whenever possible.

We are looking for executives to help us broaden our base in the annual reports and corporate finance markets. If you have successful *selling* experience in this field, then contact:—

Lawrie Edmonds, Williams Lea & Co Ltd,
Clifton House, Worship Street, London, EC2A 2EJ.
01-247 4366.

We would expect to pay up to £6,500 p.a. for the right applicants but in the case of somebody with exceptional qualifications the salary would be negotiable above this figure. Other benefits include a company car, good pension and sick schemes and a profit sharing bonus.

Senior Bank Operations Staff

A major U.S. Bank in London requires Senior Operations Staff aged around 28-32. Applicants must have extensive all-round operational background and the ability to progress rapidly in a demanding environment.

First class salary and benefit programme available to those demonstrating that they have the ability and character to fill these posts.

Please send full details of your career to date to Box A.5451, Financial Times, 10, Cannon Street, EC4P 4BY.

Institutional Equity Sales

£10,000 to £15,000 per annum plus bonus

A salary in the above range is offered by one of the major firms of stockbrokers to a person in the age group 30 to 45 and fully experienced in the field of institutional equity sales. Applicants should have a proven record of success in this field and be capable of leading a young team and training it to a high standard. The position is available because the firm's present sales teams find they have more institutional clients than they can service to the standard the firm sets for itself. Substantial research support is provided and specialisation in specific areas of the market is encouraged.

Replies, with curriculum vitae, should be sent to:-

WALTER JUDD LIMITED, (Ref: K671)
(Incorporated Practitioners in Advertising),
1a Bow Lane, London, EC4M 9EJ

Indicating the names of any Firms to whom you do not wish your reply to be sent. If the list includes the Advertiser, your application will be destroyed.

Henderson Crosthwaite & Co.

INVESTMENT ANALYST

Henderson Crosthwaite & Co. are looking for an additional analyst to work on the consumer non-durable sector to extend existing coverage.

This position might suit someone with existing experience or a younger person wishing to specialise in a limited area of the Market. Salary according to age and experience. Please write with C.V. and if possible samples of work to:—

R. N. Philipson-Stow,
Henderson Crosthwaite & Co.,
194/200, Bishopsgate,
London, E.C.2.

SIMON & COATES

Simon & Coates advises leading firms of accountants and solicitors in a specialised department which is also involved with tied institutional and other accounts.

We wish to recruit for this department an additional executive with several years' experience of portfolio management gained in broking, an institution or a bank. The applicant will preferably have a recognised professional qualification or a good degree. This is an important and responsible position carrying attractive prospects for the right individual.

Write in confidence with curriculum vitae, to Mr. H. Jackson, Simon & Coates, 1 London Wall Buildings, London EC2M 5PT.

DIRECTOR

Commodity Broking

An old established International City Group is planning to expand their existing commodity activities into soft commodity broking. To spearhead this operation it requires an experienced trader of Director status who is capable of planning, controlling and developing a new Division. Salary is negotiable but should prove no bar to the right person.

Please reply with full details in the strictest confidence to

BOX K.673 WALTER JUDD LIMITED
(Incorporated Practitioners in Advertising),
1a Bow Lane, London EC4M 9EJ

Udisco Brokers Limited

a subsidiary of The Union Discount Company of London Limited

have vacancies for two Sterling Inter-Bank Brokers

Applicants should preferably have experience of inter-bank or other related money markets.

Excellent conditions of employment and the benefits of an exciting financial package for young persons with drive, initiative, and personality.

Apply to the Managing Director, Udisco Brokers Limited, 78/80 Cornhill, London, EC3V 3NH. Telephone 01-623 2120

SENIOR EXECUTIVE

INTERNATIONAL ORGANISATION

engaged in supply of ship's equipment in all maritime countries throughout the world wishes to appoint a senior executive to its Paris Office to co-ordinate and expand business and seek out new activities.

The successful candidate will be aged 35/45, probably employed by a ship operating company. Ability to speak French an advantage.

Replies in confidence to Box A.5454, Financial Times, 10 Cannon Street, EC4P 4BY

INVESTMENT ANALYSTS

One of the City's largest stockbrokers with a high reputation for research has openings for 2 experienced analysts to cover:—

BUILDING MATERIALS ELECTRICALS

The successful applicants will already have established a reputation for quality research and will be expected to (i) maintain a close liaison with company management, (ii) prepare regular written material primarily for institutional clients and (iii) speak to major institutions regularly by telephone.

Salary and bonus will produce a very substantial level of earnings for the selected applicants.

Please reply to: STREETS FINANCIAL LIMITED, 62 Wilson Street, London EC2A 2BU quoting reference ADJ/207 and indicating any companies to whom you do not wish your application to be sent.

GRAIN TRADER

Commodity trading subsidiary of City Merchant Bank, starting a grain trading department, requires an experienced grain trader.

This could be an exciting opportunity for someone who has a proven record and good contacts in a particular area of the trade.

Apply with details of experience to Box A.5449, Financial Times, 10, Cannon Street, EC4P 4BY.

French bank affiliated to large International Group seeks:

JUNIOR EXECUTIVE

to promote relations with institutional investors, mainly foreign.

This position would suit young man/woman with several years' experience in the investment field. Knowledge of French market and fluent French are essential (fluency in German appreciated). The job requires a strong sense of relations with institutional investors as well as a keen interest in the financial and technical aspects of international investment. The position is Paris-based but implies a certain amount of travelling.

Please write to Box No. F.396, The Financial Times, 10, Cannon Street, EC4P 4BY.

LABOUR NEWS

Benn invites TGWU to have a s[ay] in energy making decision

BY ADRIAN HAMILTON

AN URGENT call for a new approach to energy-planning and decision-making through public debate was made yesterday by Mr. Anthony Wedgwood Benn, Energy Secretary.

He promised the national executive committee of the Transport and General Workers' Union in London, a public debate through tripartite discussions in each fuel industry; a national energy forum including unions and management in all fuel industries: and a regular procedure for publishing reports on the Government's progress.

Mr. Wedgwood Benn's suggestions follow a recent public meeting at his request to discuss the question of reprocessing nuclear waste and the meeting between the electricity and coal industries on "fuel burn" in power stations.

While at present there seems no desire by the Department of Energy to introduce any new policy initiatives of its own or reverse previous decisions, the speech undoubtedly reflects a genuine desire by the Energy Secretary to create new means of deciding energy strategy.

Serious gap

But it also reflects the Department's growing concern over the prospects for a serious energy gap in the 1990s and the danger that long-term damage may be done for short-term reasons.

It's own studies suggest that, on historic trends, fossil fuels may still leave a shortfall of some 30-100m. tons of coal equivalent primary energy by 1990 and some 250m. tons by the year 2,000.

Mr. Anthony Wedgwood Benn, the Energy Secretary, addressing the Transport and Gen[eral] Workers' Union national executive. He is flanked by Mr. Jack Jones, the TGWU gen[eral] secretary and Mr. Stan Pemberton, a Dunlop worker from Speke, the union's new chair[man]

This can only be supplied by nuclear power and even then adequate energy supplies will remain dependent on a thriving coal industry. For this reason, the Department is concerned both over the public hostility to nuclear power and the reluctance of the electricity industry to increase its coal burn in the short-term.

It is also worried about the low response so far to its pleas for greater conservation.

Roy Rogers adds: Mr. Wedgwood Benn, who told the 39-man TGWU executive that it was "essential that those who work in the energy industries should have a full opportunity to contribute to the development of policy," was almost immediately presented with a demand for a lay union representative on the British National Oil Corporation Board.

The Energy Secretary assured the executive members that he was prepared to consider their demand and asked them to put forward names, not only of rank and file union members, but also of union and management officials.

He reminded them that the Board already included Mr. Gavin Laird of the AUEW executive as a part-time member, and Lord Briginshaw, former general secreta[ry of] the print union Natsopa.

Mr. Wedgwood Benn, [him]self a member of the T[GWU] came in for some criticis[m of] the Government's policy [of] seeking a 51 per cent [stake] in North Sea oil output [rather] than a 51 per cent. [equity] stake. But he defended [the] Government's particip[ation] progress and stated [that] when future licences [are] awarded the Governm[ent] would be in a positio[n to] specify conditions.

The unions should in[volve] themselves more in the i[ndus]try, in such fields as h[ealth] and safety.

ICI jobs cut plan angers unions

By Lorelies Olslager, Labour Staff

TRADE UNIONS reacted angrily yesterday to ICI's announcement that it intended to reduce the labour force in its European fibre operations by up to one third over the next four years.

Mr. John Miller, Transport and General Workers' Union national officer for the chemical industry and the secretary of the ICI signatory unions, said he would protest most strongly to the company "at the way this news was suddenly unleashed without prior consultation."

He expressed particular concern that ICI did not inform the unions of its intention at a regular consultation meeting on Monday, when manpower planning and forward investment intentions were discussed.

ICI, which is investigating with the unions how the existing joint consultation procedure can be improved and expanded, had agreed to start a series of meetings with the unions to inform them of forward investment plans, Mr. Miller said.

The absence of any consultations on the plans for the fibres division "therefore comes as even more of a surprise."

Difficulties

The company did agree yesterday that unions at national level had not been informed of the decision, but it promised "detailed" discussions with officials later.

Mr. David Warburton, chemical offier for the General and Municipal Workers' Union, also stressed the absence of consultations.

The unions acknowledge that the fibres division is facing difficulties, but Mr. Warburton said it had appeared recently that the worst might be over.

There were indications that the unions might oppose the redundancies, even if they could be achieved by voluntary means.

"We are in business to preserve jobs, not to sit back and let ICI make arbitrary decisions," Mr. Warburton said.

Today, the unions meet the Chemical Industries Association and are expected to press for more disclosure of information, particularly on investment planning, within the framework of the "Little Neddy" for the industry.

Multinationals' staff paid more, says ILO

BY DAVID CHURCHILL, LABOUR STAFF

MOST MULTI-NATIONAL companies in Western Europe pay their employees higher wages and salaries than average rates in national companies, the International Labour Office claims in a new study of multinationals. Nevertheless, the majority of trade unionists, especially those in the U.K., are suspicious of multinationals' motives.

The ILO survey suggests that the higher level of wages in multinationals is a consequence of these companies being concentrated in higher-paying industries. When companing wage levels between companies in the same industry, however, multinationals tend to be on the same level as domestic companies.

In developing countries, the ILO found that multinationals paid substantially higher wages—sometimes up to 60 per cent. more—than all national companies. This was due to the higher technology and economic strength of multinationals in these countries, the ILO claims.

Innovations

Working conditions in multinationals were, on the whole, in line with those of large national companies, although multinationals "have been viewed as the source of desirable innovations in such areas as pay systems, career development, a more democratic work environment, and alternative form of shop-floor organisation."

The benefits achieved by the export of parent country practices to the country of operation, however, have been countered by the export of less "desirable" attitudes. "Multinationals have resisted demands for certain types of fringe benefits not found in the home country, not always emphasised secure and stable employment, and tried to implement wage systems not in line with local values."

The insular attitude of most multinationals in relation to collective bargaining and industrial action has the effect, says the ILO, of irritating trade unions in the host country. This inward-looking nature, due partly to the realisation that effective control rested in the home country, was also claimed by some unions as being designed to frustrate the impact of unions.

A large majority of the trade unionists surveyed by the ILO wanted greater involvement with the company on a transnational basis. Unions were particularly concerned about employment and investment policies originating from head office, but affecting employees in the countries of operation.

Multinationals in Western Europe: the industrial relations experience; ILO, Geneva; price Sw.Frs.17.50.

Threshold pa[y] problem for busmen

PAY TALKS for London [Trans]port's 28,000 busmen ope[n on] Monday when negotiator[s] wrestle with a problem of [inter]pretation of the Govern[ment's] £6 pay policy.

That is because the [busmen] have a threshold pay ar[range]ment which has yielded [a] £4 a week increase in ea[rnings] since the pay policy was [intro]duced.

But it is not clear how [much] of this will have to be [set] against the £6 maximum [the] Transport and General W[orkers'] Union will be seeking for [its] members from April 3.

Mr. Larry Smith, [the union's] national bus secretary, [said] yesterday the threshold [money] would have to be taken [into] account, but said the inter[preta]tion of the union and of L[ondon] Transport could well differ.

He added that if there [were] no pay policy, the London [bus]men would need a £10 [a week] rise to keep pace with th[e cost] of living.

Scots to lobby PM on jobless

By Roy Rogers

A MEETING of about 800 shop stewards in Glasgow yesterday decided unanimously to send a delegation to seek a meeting with the Prime Minister, whom they will urge to tackle rising unemployment levels.

The Clyde District Committee of the Confederation of Shipbuilding and Engineering Unions also decided to call on their 100,000 members in the West of Scotland to stop work from 3 p.m. on that day, March 24, in support of the delegation.

At yesterday's meeting, Mr. Denis Healey, the Chancellor of the Exchequer, was described as a "madman" who acted as a "puppet for the City."

Mr. Ken Gill, the Communist general secretary of the Technical and Supervisory section of the Amalgamated Union of Engineering Workers and a member of the TUC General Council, told the conference: "There is no greater madness than to organise our society in such a way that less and less people have to provide the essentials of life for more and more unemployed people."

IN BRIEF

Oil strike over

Construction workers who have been on strike over a union representation dispute at the Teesside site of Phillips Petroleum's £120m. oil terminal for over a week, will return to work to-day.

Concorde sit-in

Several hundred manual workers at the British Aircraft Corporation factory at Filton, Bristol, where Concorde is built, yesterday staged a jobs protest sit-in at the main office block of the plant for about an hour.

Going public

The 97,000-strong Society of Civil Servants, which represents mostly officers in the executive grade, is proposing to change its name to the Society of Civil and Public Servants to show it has members in public services like the Post Office. The proposed change will be submitted to the union's annual conference in the spring.

Devolution detail

The TUC economic committee is expected to examine the Government's devolution proposals in detail next week. Yesterday the committee reaffirmed its broad support for the White Paper proposals and repeated its opposition to "separatism."

Nalgo jobs fear

The National and Local Government Officers' Association has told the Government that the jobs of professional staff such as architects and engineers could be in danger as a result of the proposed cuts in local authorities' capital expenditure.

هكذا من الأصل

The Marketing Scene

ABC of exhibitions

BY ANTONY THORNCROFT

ORGANISERS of exhibitions, whose marketing importance is often overlooked because of the lack of detailed information about their activities, can now put themselves under the wing of the Audit Bureau of Circulations.

Since 1931 ABC has been guaranteeing to advertisers the circulations of newspapers and other periodicals, and now, in co-operation with the Incorporated Society of British Advertisers and the Association of Exhibition Organisers, it will authenticate the attendances at exhibitions—and, in time, conferences.

Exhibition organisers can register with the ABC at an early stage and if the Bureau believes in the concept, and the organisers, it will list the exhibition. Then, after the event, it will audit the attendance, the number of stands, and any other relevant information. The details will be entered on Data Forms, which will vary from exhibition to exhibition, and be published in ABC journals and by ISBA.

It may take two years to offer a full service to companies wondering whether to take expensive space at exhibitions but the director of ABC Kenneth Derbyshire hopes that the largest exhibition organiser in the country, ITF, will join soon and encourage other companies to pay the fee (initially 5p for every square metre of space sold) in order to show confidence in their ventures.

In the past some exhibition organisers have been giving over-optimistic figures about attendances, and potential users of exhibitions, especially foreign firms, have been dubious about the marketing effectiveness of taking part. The ABC involvement may reassure exhibitors during a period which should see great growth in the U.K. exhibition industry. The ABC will also audit conferences.

Advertising declines

ADVERTISING'S SHARE of the GNP has been in decline in the U.K. for some time now: but the same can be said of the U.S. and all the leading European countries with the exception of Finland. An overall picture of advertising expenditure in Western Europe is provided in a new publication from J. Walter Thompson Information Services.

The report points out that while the U.K. had the lowest increase in advertising expenditure in Europe in the decade 1960-70, since then its rate of increase in actual expenditure has only been exceeded by Finland. However, two-thirds of the rise is due to inflation.

On a general level the report shows that the Press is still the major medium everywhere but is losing share. Television, on the other hand, has made big strides—from 11 per cent. to 17 per cent. in countries with "five media" available, and from 4 per cent. to 12 per cent. in "four media" countries.

The existence of commercial radio exerts a limiting influence on television, suggesting that they are to some extent interchangeable. Where TV is long established it seems to reach a natural limit—it has steadied at 27-28 per cent. of total expenditure in the U.S.; 24 per cent. in the U.K.; and 18 per cent. in Germany. Cinema shows a steady decline across Europe, while outdoor has maintained its share.

Overall the fall in advertising's share is concentrated in manufacturers advertising to consumers, reflecting the increasing amount of the total GNP to come from the public sector.

Also available this week is the latest Nielsen Researcher which publishes comparative information on the grocery trade for the 11 European countries where the research firm operates. The book gives at-a-glance data on such matters as store numbers, turnover, opening hours, range stocked, age of operator, use of advertising, etc.

A.T.

● BOVIS is running the first corporate advertising campaign on television for a construction company. All told the exercise will cost £50,000 and is now appearing on London Week End. If the research is favourable it may be extended. The agency is Maisey Mukerjee Russell.

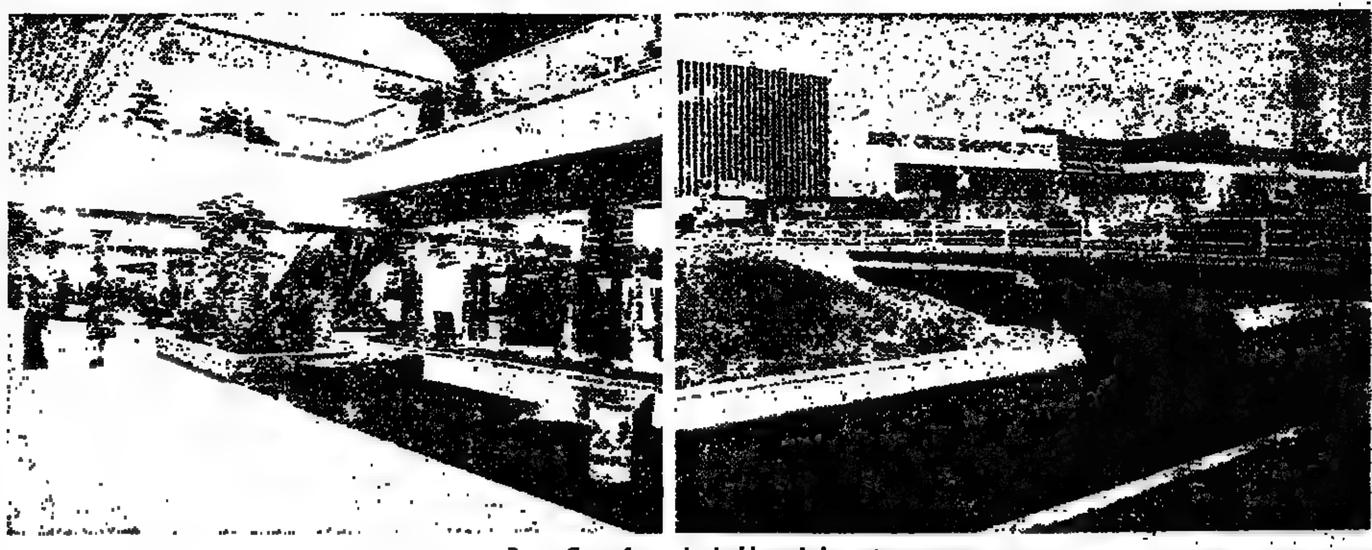
BRENT CROSS REGIONAL SHOPPING CENTRE

Quiet start to a revolution

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

THE opening of Britain's first covered regional shopping centre at Brent Cross in North London on Tuesday was hardly the publicity jamboree which might have been expected, given the attention the centre has attracted in its 19 years of gestation. With only around half the 90 shops ready to open their doors to the public, the centre received what was described as a "low profile" launch, though that did not stop first day crowds.

The major burst of advertising will not start till next week when the John Lewis department store should be ready for trading, while a second, "celebrity," opening is tentatively planned for June when all 80 of the shops which have been let so far should be open.



Brent Cross from the inside and the out.

The debut had already been delayed six months by the three-day week and the problems associated with the use of high alumina cement. As a result the centre is starting in what is traditionally one of the most difficult times of the year for retailing, and, once the initial crowds of "first night" shoppers have disappeared, the retailers may well face a nervous few months.

To break even, it is estimated that the shops in the centre will have to take around £48m. a year. But given the development costs it may well be two and a half years before the big stores write off their investment and start making money, even if the £48m. figure is reached in the first year of trading.

Brent Cross, with its 800,000 square feet of selling space, is designed as an alternative to London's Oxford Street. In the same way as shoppers make an expedition to go to the West End, so, it is hoped, customers will be prepared to make up to a 20-minute drive to get to Brent Cross.

By comparison with the West End, the asking rent of between £10 and £15 a sq. ft. is cheap, particularly as these figures are open to negotiation. (Some shops, like the two major department stores, are paying turnover adjusted rents, but the majority of retailers have opted for flat rents). But if the rents are cheaper than in the West End, the gamble in opening in the virgin ground of Brent Cross is far higher, while there are also a number of uncertainties surrounding other overheads. The rates still have to be assessed, while both the size of the service charge and the promotional budget has still to be fixed.

The service charge depends partly on exactly what services the retailers want—and there may be some disagreements on the retailers' committee between the wishes of the small shops and those of the large stores—but it could be as high as £500,000, divided up, proportionately, among the tenants.

The risk factor in opening in North London was probably the greatest deterrent to retailers asked to join the development in its early stages. But once the big names like John Lewis, Fenwicks and Marks and Spencer had signed up, the other multiple groups followed.

The development, which expects to have a slightly more up-market customer profile than Oxford Street (less the tourists), boasts most of the major names in retailing, including Boots, Laskys, Dorothy Perkins, C and A, Miss Selfridge, Burtons, Dixons, Granada TV, and Mothercare.

The difficulty has been in getting the smaller retailers, which tend to add flare to the French centres. If customers are to be attracted from Hampstead and Golders Green, as well as areas to the North of Hendon, they may well look for the kind of small, intimate boutique which characterises these areas.

But often these smaller shops are only trading profitably because they are paying historic rents, considerably below what they would have to pay for even the smallest unit in Brent Cross. Conversely, the more down-market groups, like Woolworths, are also missing, partly because of the expected customer profile.

The result is that customers are offered less choice of merchandise than they would get in Oxford Street. There are relatively few accessories shops, for example, and though both John Lewis and Fenwicks offer a wide range of women's clothes, there are only a few sophisticated boutiques like Match. Some of these gaps may be filled as a result of Hammerson's decision to split up some of the remaining units into smaller shops.

A more serious absentee on the list of tenants is a bank: none of the major clearing banks were prepared to go along with the late opening hours. The centre will be open from 10 a.m. till 8 p.m. during the week and from 9 a.m. till 6 p.m. on Saturday, and Hammersons says it wanted a bank to reflect these later shopping patterns.

With the builders still in some of the shops earlier this week, it was difficult to get a definite impression of what the centre will eventually look like. The two cafés in the main halls were in ruins while the John Lewis store was concealed behind hoards. Still, there was little doubt that Brent Cross will eventually be an attractive place in which to shop. The halls are wide and light, with occasional seats and the fountain, underneath the multi-coloured glass dome, makes an attractive focal point.

The decision to restrict the sale of foods to Waitrose means there are none of the displays of fresh foods spilling over the pavements which add to the atmosphere of the French centres, but even so the centre has a warm, inviting atmosphere.

The main worry among retailers this week was whether the 3,500 parking spaces would prove sufficient, though on Tuesday, despite the crowds, there were plenty of spaces left. There was also some concern—justified, judging by the experiences of journalists—whether shoppers would be able to find the centre, situated as it is, in a maze of dual carriageway roads. The question of buses, which loomed large a few weeks ago, has been largely solved, but in any case the vast majority of customers are expected to come by car.

Had Brent Cross opened a few years ago, both the property world and the retail trade would have watched its progress with accute interest. At the height of the boom people were forecasting the development of a number of such centres in England, and the French developers were actively looking for sites. Now, with the drop in retail sales and the collapse in the property market, Brent Cross may be allowed to hold the title of "Britain's first regional shopping centre" for some years to come. The shopping revolution, which it was supposed to herald, has been blown off course by the economic climate.

Marley on a winner

BY MICHAEL THOMPSON-NOEL

APART FROM being the do-it-yourself brand leader in instant concrete, Marleymix is also the name of Marley's latest promotional gimmick—a racehorse. Marleymix is the first company-owned horse carrying a brand name to have run in Britain since the Jockey Club relaxed its ban on this type of runner last autumn.

The horse's racing colours—red and black chevrons on a yellow background—are the same as the colours on a bag of Marleymix. It cost £3,500 to buy as a three-year-old, and £2,000 a year to train, but has already spread a glow of satisfaction in the Marley boardroom by winning at Lingfield on February 21 at 33-1.

"He's a long-term investment," said a director this week. "As a hurdler we should get several years' publicity for our money."

Nearly 40 companies have now registered with the Jockey Club as owners, including British Car Auctions, Hosts Travel, PTT Plant Hire and Allied Manufacturing Company. Perhaps the National Enterprise Board will now follow suit with "I'm Buying Britain" or "Prices and Incomes, Stage II."

CASE BOOK

Cow & Gate matures

BY ANTONY THORNCROFT

ON TUESDAY Cow and Gate launched a new rusk on to the national market. This may not sound a particularly significant event, given that rusk sales are worth less than £4m. a year and that this particular rusk is the product of Liga, a Dutch company which rules the continental rusk scene.

In fact the rusk symbolises the regeneration of Cow and Gate, part of the £650m. Unigate group. Two years ago Unigate decentralised its food division and Cow and Gate found itself on its own, with a sales force, research facilities, and financial autonomy. The trouble was that when the £11m. turnover operation examined itself as a separate division, rather than as part of a larger unit, it discovered it was making an enormous loss.

Cow and Gate's sales were in baby milk, valued at £14m. a year, and baby meals, a £21m. market; and babies are growing more rare by the year. In addition there had been a swing back to breast feeding and mothers were getting their infants on to subsidised milk as quickly as possible. In fact, the new director Tony Silk reckons the company's market was falling by around 20 per cent. a year and that 85 per cent. of the revenue was coming from just six milk brands, although it marketed 98 different baby meals.

On the other hand, the products had a very high reputation, as did the company name. The search for new brands was to be built around the wholesome image, and Cow and Gate's good relations with the medical profession. In addition all its retail sales went through chemists and there was no desire to weaken the strong ties with the 11,400 chemists served by a sales force almost fifty strong.

In 1974 the baby food brands were relabelled Cow & Gate, rather than Trufood, and twenty unprofitable lines were dropped. Then last April Cow & Gate tested in Southern TV area three fruit syrups aimed at the baby market. They captured a fifth of local sales, and went national in January.

Now we have the rusks, and Silk reckons to release two new products in each of the next three years. At the moment 22 ideas are being investigated and nine are at an advanced stage. They range from ethical products, aimed at hospitals, to branded goods. There should be a definite moving away from the baby market, perhaps towards dietary aid foods which are an enormous business in the U.S. where there are brands for every complaint from a cold to a coronary.

Cow and Gate will move away from feeding babies, although the first new brands may not mark a significant change of direction, and be channelled through chemists. But if a likely-looking product comes along, Cow and Gate is prepared to back it, especially as the profits to be announced this month are likely to be in excess of £500,000.

Boase gets Quaker

● BOASE Massimi Pollitt reached £10m. billings this week with the appointment by Quaker Oats to handle the Quaker range of ready-to-eat cereals that includes Sugar Puffs and Sutherlands spreads. The company put some £1m. behind the brands last year. Collett Dickenson Pearce continues to act for the hot cereals and Chunky and Felix dog and cat foods.

● YOUNG and Rubicam has been appointed to handle the advertising for Ideal Toy, the American toy and games maker which claims to be one of the largest in the U.K. The account is worth £500,000 and was previously split between Saatchi-Compton and Samuels Jones Isaacson Page.

● IT can pay to err. In its radio commercials last week Henry's Lindair, the hi fi specialists, used the phrase "never knowingly undersell" in an effort to get away from the "never knowingly undersold" line of John Lewis and Comet. Unfortunately it means quite the opposite, but the 400 callers to the firm, and the customers clutching price lists, have given the company one of its best selling weeks for some time.

● THE £200,000 Tizer account has gone to Ayer Barker Hegemann. Its makers, A. G. Barr, has awarded the Jusoda business to Cherry, Hedger and Seymour, while Irn Bru in Scotland stays with Greys.

● EXPENDITURE ON display advertising, at rate card costs, during January was £44.6m. which is 35 per cent. higher than the same month last year, according to MEAL. Gross expenditure on television was up 37 per cent., and 32 per cent. higher in the Press, with the increase for newspapers at 38 per cent. and magazines 21 per cent.

The gross revenue for Independent Local Radio was 100 per cent. higher during January this year at £779,478, an increase of £394,475 over January 1975.

THE FINANCIAL TIMES

(Established 1888)
Incorporating THE FINANCIAL NEWS
(Established 1884)

Head Office Editorial & Advertisement Offices:
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telephone Day & Night: 01-248 8000. Telegrams: Finantimo, London
Telex: 886341/2, 883897
For Share Index and Business News Summary Ring: 01-246 8026

Birmingham: George House, George Road 021-454 0922
Dublin: 8 Fitzwilliam Sq. 785321
Edinburgh: 18 Hanover St. .. 031-226 4120
Leeds: Permanent House, The Headrow 0532 454969
Manchester: Queens House, Queen St. 061-834 9381
Paris: 36 Rue du Sentier 236.50.59 (editorial) 236.86.01 (business)
Bonn: Pressehaus 11/104 Heussallee 2-10 222590
Frankfurt: Frankfurt am Main, Im Sachsenlager 13 555730 (editorial) 554667 (business)
Brussels: 39 Rue Ducale 129037
Rome: Via della Mercede 55 .... 678 3314
Stockholm: Raalambsvägen 7, 105 17 Stockholm. Tel: 50 60 88
New York: 75 Rockefeller Plaza, NY 10019 Editorial—212 541 4625 Business—212 489 8300
Washington: Second Floor, 1325, E. Street, N.W., Washington D.C. 202 347 8676
Jo'burg: 637 Union Centre East corner: Pritchard and Harrison Streets, P.O. Box 2128
Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Tel: 241 2920

THURSDAY, MARCH 4, 1976

Mr. Vorster's choice

THE DECISION by President Samora Machel of Mozambique to close his country's border with Rhodesia amounts to more than a tightening of economic sanctions: it is, in effect, an ultimatum and the timing is almost as significant as the decision itself.

It is nearly nine months now since Mozambique became independent. There were never any doubts about President Machel's revolutionary credentials, but there were good reasons for not applying sanctions at once. For one thing, along with a number of African Presidents and Mr. John Vorster of South Africa he was engaged in the pursuit of a Rhodesian settlement by peaceful means. For another, economic sanctions will hurt Mozambique quite as much as they will hurt Rhodesia.

Defeat

He has chosen to act now at the moment of maximum impact. The isolation of Mr. Ian Smith and his white Rhodesian supporters is more apparent than ever before. At the same time, we have seen the opening skirmishes in the long-threatened guerilla war which, if it is fought to its conclusion, sooner or later will inevitably lead to a white defeat. President Machel has applied one more turn of the screw—not so much by the sanctions themselves as by the evident warning that he is prepared for the war.

Rhodesia can probably survive the closing of the railways, at least for a while. After all, it has survived each successive tightening of sanctions in the past and its dependence on the routes through Mozambique had already been much reduced in anticipation of yesterday's decision. But the decision means that Mr. Smith will now turn more than ever to South Africa and it is with South Africa that the next move lies.

Mr. Vorster has to decide not only whether to allow those Rhodesian exports which once passed through Mozambique to be diverted to South Africa's already crowded railways and ports; he also has to decide whether to tell Mr. Smith in unmistakable terms that, in the event of war, there can be no question of South African support. Mr. Vorster would clearly prefer a negotiated settlement. Indeed he has been more instrumental than most people would have thought possible in seeking one. But he is now faced with the critical choice: is he prepared to let South Africa itself contribute to economic sanctions and therefore cut off Rhodesia almost entirely from the outside world?

It is not necessary to apply the sanctions at once. What matters is the threat coupled with the warning that there can be no military assistance. If Mr. Vorster can persuade Mr. Smith that the threat is credible and that Rhodesia is militarily isolated, it may yet be possible to save the constitutional talks which are still going on with Mr. Joshua Nkomo. But there will be no room for ambiguity. Mr. Smith will have to be stripped of all illusions that South Africa will come to his aid in the end. There will be no room either for token concessions on the part of white Rhodesia. Mr. Smith is being asked to agree to the principle of majority rule now and to accept that it should be established within perhaps two years at the most. Nothing less will do. Nothing else will prevent the guerilla war. Nothing else will guarantee any sort of future for Rhodesia's whites.

Climax

Mr. Vorster can presumably see all this as well as anyone. That is why he began his policy of detente in the first place. The question is whether he is prepared to spell it out to Mr. Smith in terms that will make him listen. To do that he will have to make the threat to Rhodesia's communications that he has always shied away from in the past. If he does not, the danger is that Mr. Smith will maintain his illusions and events will move, as they have been moving rapidly in the past few weeks, to their inexorable and disastrous climax. President Machel has given the ultimatum: only Mr. Vorster can make sure that it is understood.

Mr. Jenkins on the Constitution

ON TUESDAY evening, after his resignation from the Labour Party, Lord George-Brown expressed a wish that Mr. Roy Jenkins felt able to stand up and say that he wanted a different Labour Government from the one we have at present. His wish was granted, after a fashion, more quickly than he can have expected. Mr. Jenkins, who has already made two controversial public speeches in the course of the past few weeks—one in which he suggested that public expenditure could reach a level at which it was a threat to individual freedom and another in which he questioned the traditional omnipotence of Parliament and the relatively narrow role of the courts—yesterday addressed the International Press Institute on the subject of Human Rights and Constitutional Change.

Mr. Jenkins, it is to be presumed, had the issue of Press freedom somewhere on his mind, and the nature of his audience may have caused him to outline his views on a number of far-reaching questions more sweepingly than he might otherwise have done. The outline, however, is unfortunately far from clear. One has the feeling that the Home Secretary has something very definite to say but is, for some reason, reluctant to spell it out in unambiguous language.

Popular apathy

Searching for clues to his meaning, however, one may come eventually to the conclusion that Mr. Jenkins is in fact trying to define the main threats which he sees to the effective functioning of social democracy in this country. The most effective guarantee of human rights, he argues, is a popular demand for freedom, which is gradually eroded when "people become apathetic in the face of the increasing size and apparent remoteness of central government and the declining power of Parliament."

Although Mr. Jenkins regards the solution of the devolution problem as of the same importance as successful management of the economy, he feels that the remarks made in the reports of the Kilbrandon Commission (minority as well as majority) about other possible improvements in our system of government have been neglected. He emphasises at length the huge increase in the field of Government activity and the growing inability of Parliament to control it, and suggests that "there comes a point at which gradual and imperceptible quantitative changes are suddenly recognised as altering the quality of an institution."

State activity

Although he believes that Parliament must remain at the centre of our arrangements for protecting human rights, he nevertheless considers that it does not make much sense to be "jealously possessive" if the burden of responsibility comes to be shared with other assemblies in the U.K. and the EEC. That, together with a halt to the proliferation of nominated committees, appears to be one barrel of his solution to the problem of an overworked Parliament and a disaffected electorate.

But his other barrel, which is considerably more explosive, arises out of his view that limitation of public expenditure is needed for libertarian as well as purely economic reasons. Having said that the strain of the present system is becoming incompatible with an effective and democratic system of Government, he argues that controls over the size of the Civil Service are likely to make things worse—"unless the functions of Departments are curtailed." Perhaps the Home Secretary, too, has been affected by Solzhenitsyn.

Last week's signing of a pact between Portugal's military leadership and the civilian parties has opened the way for the country to have its first freely elected government in half a century. But there are few grounds for optimism about the outcome of the convulsions Portugal is now going through.

Paul Ellman reports from Lisbon

Charges of softness against Dr. Mario Soares (left), Portugal's Socialist leader, are among the opening shots of the ... campaign fired by Dr. Francisco Sa Caneiro (centre), head of the Popular Democrats, who has succeeded in embarrassing ... Socialist leadership well aware of the electorate's move to the right. Right: Admiral Pinheiro de Azevedo, the ... Prime Minister.

Borrowed time, borrowed money

PORTUGAL to-day has two political schools of thought: one believes that the country has one more convulsion to go through before settling down under a new Right-wing authoritarian regime; the other that the country will drift there by default.

Given this sombre backdrop, it is hardly surprising that last week's signing of the "pact" between the military leadership and the civilian parties was something less than the historic occasion it would have been under almost any other circumstances and has already been overtaken by events.

The pact opened the way for the Portuguese to have their first freely elected Government in half a century. Under the timetable currently favoured in Lisbon, the election of a legislature will take place on April 25—the second anniversary of the coup which overthrew the dictatorship—and this will be followed a little over two months later, probably on June 27, by presidential elections. The new President will have the task of selecting a Government to replace that headed by Admiral Pinheiro de Azevedo.

Leaving aside the question of whether the country can afford a further four months without effective government, the first indications of the kind of election campaign to be expected provide few grounds for optimism. So much has gone wrong with the Portuguese revolution that, perhaps inevitably, the campaign will centre on who is to blame for the country's present plight. At this early stage three issues look like dominating the hustings—the catastrophic state of the economy, the decolonisation programme, and the chaos of agrarian reform.

As far as the economy is concerned, the best that might be said is that, while the country was by the end of last year living on borrowed time, it is now clearly living on borrowed money. Unemployment is now above the 15 per cent. mark and still rising; price inflation, according to January's consumer price index, has reached an annual rate of around 70 per cent.; almost half the State-owned enterprises, which collectively account for 60 per cent. of the country's productive capacity, are beyond commercial resuscitation; and the only sector showing an "improvement" is the trade balance — and this because imports are, thanks to an inability to pay for them, falling faster than exports.

Farmers' discontent with the conduct of agrarian reform could develop into open conflict with the authorities; this week they cut the railway line between Lisbon and the north.

Eagerly waiting to make the most of this situation are the trade unions of the Lisbon industrial belt, most of them under the control of the Communist Party or other Left-wing groups. These have already served notice that they will embarrass the government if it makes any further moves calculated to erode workers' living standards.

De-colonisation, a primary aim of the officers whose weariness of the African wars produced the coup of April 25, 1974, has turned sour. East Timor is the scene of a ferocious war between nationalists and invading Indonesian troops, Mozambique, under the increasingly erratic rule of Mr. Samora Machel, produces regular reports of atrocities against Portuguese citizens, while Guinea-Bissau is barely on speaking terms with Lisbon following a row caused by Portugal's bid to renegotiate the rashly generous co-operation agreement it signed when conceding independence.

Above all, there is the question of Angola. Following the agonised debate over whether to recognise the MPLA, Lisbon now finds itself being cold-shouldered by the Luanda regime, which has been dropping broad hints that Portugal left it too late.

Increasingly bitter refugees from Angola have realised their potential electoral strength and have organised themselves into their own political party which is effectively inviting the others to make it an offer it cannot refuse. The wooing has already started, with the Centre Democrats (CDS) using the demagogic figure of General Galvao de Melo to suggest cruelly that it will be possible for the *retornados* to return to their former homes, while the Popular Democrats (PPD) have made a point of loudly dissociating themselves from the recognition of the MPLA.

Discontent among farmers with the conduct of agrarian reform permanently threatens to boil over into an open conflict with the authorities, as Monday's cutting of the main railway line between Lisbon and the North so dramatically showed. Despite almost desperate efforts by the Government to assure owners of small and medium-sized farms in the Centre and North that they will be exempted from the reform programme, the protest movement continues to grow. The Government and the military leadership have been driven to come down publicly on the side of Dr. Lopes Cardoso, the Agriculture Minister, whose performance in office, leaving aside the worthiness or otherwise of his policies, has been little short of disastrous by any other political standards. The alternative would have been to cave in to a movement whose leaders have much broader, and much more Right-wing aims, than simply redressing the inadequacies and failings of the agrarian reform programme.

The threat of industrial and social unrest, the desperation of refugees with nowhere to go, the growing reluctance of farmers to provide food to what they call the "Red City"—these are hardly the seedbeds for the stability needed for parliamentary democracy to exist, let alone flourish.

Distilling a nation's mood is a hazardous undertaking at the best of times. In Portugal's case, the task is made even more difficult by the chaos and confusion which surround the political and administrative processes. Yet, behind the morose introspection which has replaced the high-spirited elan of barely a year ago, there is a discernible need for a clear explanation of where the country is at this stage.

The need to know where they are perhaps explains the growing number of petitions from workers for the return of the bosses whom they purged barely a year ago. The general uncertainty is illustrated by the ability of the Right-wing parties to veto any mention of what was once one of the main political goals, a socialist democracy, in the preamble of the pact, as the military had proposed at the last minute.

The pact itself will be incorporated into the constitution whenever it is produced by the Constituent Assembly elected last year. In theory the pact is supposed to define the role which the military, in the shape of the Revolutionary Council, will play in the next four years. Yet, so obscure is the wording of the clauses relating to its powers that the document has already managed to become all things to all men. It has allowed the parties of the Centre and the Right to claim that the military have been thrust very much into the back seat and deprived of the wide-ranging veto powers which they initially sought. The Communists, on the other hand, who favour a central role for the military, have equally been able to claim that the pact represents a defeat by the Right.

For the time being, however, the broader question of the functions of the Revolutionary Council and how it will interpret them has been obscured by the smoke from the starting gun of the election campaign.

Leading the field in these early stages is Dr. Sa Carneiro, head of the Popular Democrats. Preaching a vague "social democracy," Dr. Sa Carneiro torments the Socialists at every turn with their alleged attachment to "Marxism" and their alleged willingness in the past to make up to the Communists. He has succeeded in embarrassing the Socialist leadership since the Party knows only too well that the electorate is [moving] right, but is also [painfully] aware that its working militants tend not to share [its] all-out antipathy to Communists, with whom many of them operate quite fruitfully [on the] shop floor.

It would be bitter irony indeed for Dr. Mario Soares, after having seen the Communists rob him openly [of the] fruits of his Party's victory [in] last year's elections, he [were to] lose this year's poll on [the] strength of charges of softness from Dr. Sa Carneiro, [whose] activities have caused even [the] conservative CDS to worry [about] the possibility of being [out]flanked on the Right.

The fear of the drift [to the] Right turning into a flood [is] shared by large elements [of the] military leadership, whose bitter critic Dr. Sa Carneiro [has] become. The revolutionary council is now in danger of [find]ing itself isolated from the [rest] of the armed forces as the [struc]ture of military assemblies [falls] into desuetude. Concern [about] becoming sitting ducks [for a] Right-wing figure who [might] emerge as Prime Minister [in] four months' time is echoed [by] the persistent rumours of [an]other coup in the offing. [The] coup rumours are also being [fed] by reports of Right-wing [infil]tration into the middle ranks [of] the Army and by the fact [of] the inability of the ci[vilian] politicians to rise [above] political manoeuvring has [left] them ill-equipped to cope [with] the social chaos that the de[cline] of the economy is likely to [bring].

Whether a coup will [take] place or, indeed, whether [one] will be necessary to com[plete] the country's return to co[nser]vative, authoritarian rule, [only] time will tell. But so ma[ny of] the gains since April 25, [1974] now seem illusory that [some] commentators are increas[ingly] willing to think the previ[ously] unthinkable and ask wh[ether] 1976 could be another 1[926], the year of economic col[lapse] and political chaos which [ulti]mately led to the Salazar [dic]tatorship.

MEN AND MATTERS

Battle deferred

What has happened to *The Second Battle of Britain?* That is a question which is beginning to be asked in certain quarters in the U.S., and it could be subtitled "The case of the disappearing CBS documentary."

The Second Battle of Britain is a socio-economic study of British problems written and presented by Morley Safer, one of the top CBS correspondents (CBS being one of the main TV networks in the U.S.). Safer worked on the programme last summer, it was completed in November and, apparently, should have been screened soon after. It features interviews with Malcolm Muggeridge, Jimmy Reid, and Winston Churchill, and is believed to reflect the then-prevelant view of the U.K. as seen through U.S. eyes. That was almost wholly pessimistic.

But the programme did not appear in November, or December or January, nor was it put out at the scheduled time last Sunday. The official reason for its non-appearance then was that with CBS being involved in a TV rating war with the other two major networks, it felt a need to screen something other than a serious documentary in order to catch up in the audience-gathering race.

At the last minute therefore the programme was dropped—to be replaced by a thriller designed to attract a wider audience. Ironically, Washington's CBS station rejected this substitute and used a Thames TV production — *The Two Deaths of Adolf Hitler*—which is one of the "World at War" series.

Now there is a suggestion that *The Second Battle of Britain* may also have two deaths—and may not appear at all. It is now scheduled to be networked on March 17, but the problem facing CBS is that the U.S. public has changed its attitude somewhat to Britain's economic prospects. Although Safer says he has done some updating, the fact remains that the documentary is now the best part of five months old—and probably out of tune with current thinking.

"I don't know what to do about George. We certainly can't send him to Coventry!"

Goodbye to the Post Office

Public relations men changing their jobs are not usually occasions of great interest except to the participants, but the departure of Reg Abbiss after three years as director of p.r. for the Post Office highlights a problem which has been publicly paraded lately by Sir William Ryland, the PO chairman.

Ryland has complained that State salaries are not competitive, and that members of his staff are being "head hunted." And that's precisely what happened to Abbiss, once a familiar face as BBC industrial correspondent who now switches to Bowater as their first "director of public affairs." Abbiss described the PO job as "at times like contending with the siege of the Alamo," adding for good measure: "There is far too much interference in the nationalised industries and the competence of those interfering leaves a lot to be desired."

Bikes, banks and TCK

Unfamiliar names dot the conversation when Stephen Rowlinson, chairman of the TCK Group, talks about bicycles and banking. First, though, TCK itself: Rowlinson, 36, a former management consultant with McKinsey, made a bid for the group at the beginning of 1974 and now owns 40 per cent.

The finance director is another ex-McKinsey man, and so is Peter Tett, due soon to join the Board after leaving Bowater. TCK performs well enough in central heating and packaging, but problems elsewhere plus exchange losses meant that second-half profits went awry, news which has knocked the shares 44p (to 106p) over two days.

Perhaps bicycles will help dispel some of the gloom. In December TCK bought 29.9 per cent. of pressings and assemblies maker Lesbrook, just short of the mandatory full offer level. Spare capacity there will be used to produce Bickerton bicycles, a fledgling business now owned by TCK and started by Harry Bickerton, once chief designer at De Havilland.

Bickerton's bike is made of aluminium, weighs 18 lbs, folds away into carrying case convenience—and sells for around £125. Very expensive, but there is of course a cycling boom on, with new names (notably the foreign-made Eurobikes distributed by a company run by Surrey insurance man Tony Lockwood) challenging the likes of Raleigh. Rowlinson, who rides a Bickerton through London traffic to work, forecasts confidently that 20,000 a year will be made: his competitors are so far sceptical.

One group with an obvious interest in the bicycles is P. S. Refson, a West End bank, and, like the Bickertons, not widely known. It acts for TCK, and Rowlinson switched to Refson the £250,000 loan with which he bought into TCK. The bank was set up by the Refson family on the proceeds of the sale of the Essoldo cinema and other entertainment interests.

Started in 1973, P. S. Refson's deposits were £3m. at the last balance-sheet date, and net profits a year ago were £145,000. The latter should be attained for the year just ending, said director Michael Wigan, who added that the bank concentrates on trade finance and had sensibly avoided going "into the property business with both feet."

Clearly

After creche (for crash) and sex (for sacks) jokes, a reader offers the following: "What is the river that flows through London called?"

"The Thames."

"No, no. That's the newspaper!"

Observer

ECONOMIC VIEWPOINT

BY SAMUEL BRITTAN

State spending: not the root of all evil

...ITICS OF high Government ...nding have hardly been ... in recent weeks, and I ...stified myself to express a ... thoughts on how public ...penditure might be more ...ectively regulated and the ... with the tax burden more ...arly demonstrated.

There is now, however, a ...nger of public spending being ...de a scapegoat for all econo...c evils. But if the critics push ... far, they will only discredit ...eir own cause. The main case ...ainst an excessive share of ...e national income being spent ...r us by the Government was ...t very well recently by Mr. ...y Jenkins, the Home Secre...ry. If too many of our choices ...e made for us by authority ...d we are deprived of the ...ght to spend more than a small ...action of our income in our ...n way, then personal freedom ... in danger.

This is at bottom the only ...ally fundamental argument, ...d my own doubt about ...ether the 60 per cent. public ...ending ratio quoted by Mr. ...nkins was the right measure ... the purpose is in this con...xt a technical quibble.

A secondary, but still impor...nt, argument is that across-...e-board increases in State ...ending are often inefficient ...ays of fulfilling our professed ...cial goals. But one has to ... careful here. Many of the ...dical free market alternatives, ...ch as a negative income tax ... education or health vouchers, ...in themselves count either as ...tra Government spending or ... negative revenue, depending ... an arbitrary accounting deci...on. Undesirable handouts to ...owerful lobbies can also be ...aid out without a penny of ...ublic spending through de...ices such as the EEC farm levies or import controls.

But the fashionable indictment of Government spending goes much further. It attributes to it the main responsibility for decades of inflation, low growth and economic inefficiency. These arguments are dubious whether they come from politicians, the "New Oxford" economic school or anywhere else.

Of course, if people agree with Mr. Jenkins about personal liberty—or if, more realistically, they simply resent paying for other people's (or even their own) public services—trouble will arise for economic policy. But this is a far cry from regarding a brake on public spending as the cure-all for our troubles or even the main criterion for policy.

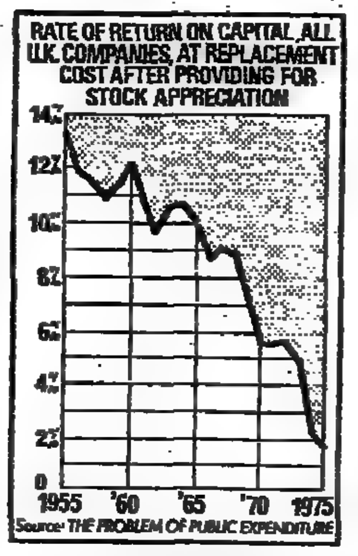
To put my own cards on the table: if I had the choice between the abolition of price and dividend controls this August, when the £6 pay limit runs out, and a reduction of £1bn. or 2 per cent. in public spending I should choose the end of controls. This would be my choice whether or not the spending cuts were accompanied by a tax cut; and it would remain my choice even if wage controls had to go as the price for ending the other restraints.

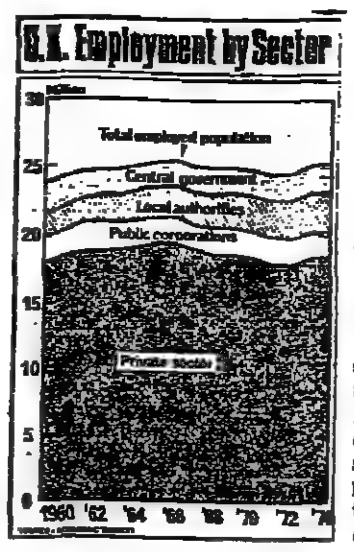
Distinction

A very thoughtful recent pamphlet by Mr. Adam Ridley, *The Problem of Public Expenditure*,* makes the crucial distinction between public spending and the size of the public sector overlooked in much recent discussion. Although published by the Conservative Research Department, to which the author is attached, the analysis is long-term in character and very nearly non-partisan in flavour. Yet even Mr. Ridley exaggerates the connection between public spending and other economic problems.

There are, to my mind, two main trends which emerge very strikingly from his booklet: the fall in the rate of return on corporate capital, and the rise in the personal tax burden resulting from growing public spending. The question is: how closely are the two related?

The first chart on this page, reproduced from Mr. Ridley's work, tells one almost everything one needs to know about the weakness of private investment. The precipitate decline in the last 20 years in the rate of corporate return (allowing for replacement costs after providing for stock appreciation) to a level of less than 2 per cent. in 1975, shows why many companies would think several times before embarking on large expansion programmes.





Left: it is obvious why many companies would think several times before embarking on large expansion programmes. Right: although public expenditure, conventionally defined, is equal to about 60 per cent. of the Gross Domestic Product, the public sector employed on the last count only about 27 per cent. of all employees.

Similar falls in profitability, even if not quite so steep, have been recorded in most other countries and have been going on for a number of years. The phenomenon has been seen in countries with so many different regimes and sorts of trades union movement that a common process must be at work. There has been, I suggest, a degree of capital saturation, so that the net contribution to output from each marginal unit of capital has been falling. Contrary to popular belief, the pace of commercially valuable technical innovation has slowed, not increased. To this extent, we have to adapt ourselves to lower growth, and a lower profit share, than in the heyday of postwar expansion.

But throughout the world, and with especial severity in the U.K., the inevitable profit squeeze has been aggravated by the unexpected acceleration of inflation in the early 1970s. The trouble is that, even in the absence of price control, there is a lag by the business community in adapting its accounting procedures and pricing policies to the facts of inflation. By the time the required learning had taken place, the world recession made the restoration of margins impossible. Once these abnormal factors are out of the way, profitability should return in the freer economies to something intermediate between its recent depressed level and its earlier trend.

What, however, has the rise in the personal tax burden in the U.K. to do with the matter? A married man with two children on average earnings paid less than 10 per cent. in income tax and National Insurance contributions up to the mid-1960s, but now pays 25 per cent.

A simple payment from the individual to the State does not affect profitability; it just redistributes demand. To demonstrate a connection we have to bring in the *frustration hypothesis*. This states that wage earners resist their tax payments by demanding and obtaining higher wages.

But, again, why should profitability be upset? The reason is not fully spelt out. But I can think of two routes. Both involve the authorities holding back money demand to check inflation. In one case, wage increases cannot be fully passed on and margins are squeezed, thereby bringing about a business downturn. In the other, wage increases are passed on; but workers are priced out of jobs and a recession develops in another way. Both processes have been at work in differing degrees in different industries.

The high marginal tax-take does indeed help to explain why the monetary slowdown of 1974-75 had such a large effect on output and employment, and such a belated one on wages and prices. But was the tax frustration nearly as great an influence on wage push as the frustration resulting from the deterioration in the terms o ftrade in 1972-74, which reduced the real value of an hour's work in the U.K. by 5 per cent.?

Difficult

Going back a little earlier, it is difficult to see what tax frustration had to do with the earlier inflationary slump of 1970-72, when neither the public spending ratio nor the marginal tax-take rose at all. Nor can the frustration hypothesis, in any of its forms, explain the erosion of profitability in periods such as the post-devaluation recovery of the late 1960s and Mr. Edward Heath's dash for expansion in the early 1970s. Is it a coincidence that the latest and steepest phase of declining profitability coincided with the Confederation of British Industry's unfortunate voluntary price restraint gesture of 1971, when the tax-take was pretty stable?

There is a danger that the fall in the U.K. investment share will go much further than is justified by the world-wide economic trends I discussed earlier. More investment is not the key to improved productivity, especially if it is heavily subsidised investment. But if we made better use of existing capacity we would need more investment to provide means of employment for the displaced workers—I have for some time shared Mr. Ridley's feeling that we are on the verge of the kind of unemployment suffered by a developing country, not curable by any sort of demand stimulus.

The clue to more, and worthwhile, investment is, as Mr. Ridley stresses, a massive recovery in profit margins in the coming upturn. Price control may be largely inoperative while markets are depressed, but it influences every assessment of the potential return on new investment, and especially risk ventures. The abolition of price control would be worth all the "sectoral studies" and selective help for ferrous foundries and the like, on which Mr. Denis Healey has so set his heart.

Nor is it price control alone. The second and by far the best report of the Diamond Commission on the Distribution of Wealth explained with admirable lucidity that equity capital was the base of all other sources of finance for expansion, and that the amount of equity issues were related to dividend prospects. The recent recovery in new issues will not go far enough to provide a basis for adequate investment unless dividend control disappears or is made purely nominal.

The aspect of Mr. Ridley's booklet which I have left to near the end is his stress on manufacturing investment and employment. I find this emphasis on the aspect of business at which the British are — with many shining exceptions—now least good, unconvincing from which ever part of the political spectrum it comes.

There is a link between Mr. Ridley's emphasis on manufacturing and his worrying remark casting "very serious doubts" on the efficacy of exchange depreciation in the absence of "quite specific domestic policies." The trade figures cited to support this contention (a) ignore trade in non-manufactures, (b) do not take into account the oil crisis which made it sensible to run some current deficit, (c) do not mention the explosive monetary policies of the early 1970s which accompanied exchange depreciation, and (d) ignore the official overseas borrowing designed to shore up the exchange rate. I admit that I am terrified at the thought of a Conservative industrial stratgey on top of the Conservative union-appeasing strategy already unveiled.

Slogans

Of course public spending has been increasing too quickly and ought to be curbed. The widespread agreement on this outside the Tribune Group makes it a politically convenient slogan for both main parties. Both the advantage and the drawback of such slogans is that they conveniently bury many difficulties and disagreements. It is because he goes beyond the usual parrot cries and brings the real arguments to the surface that Mr. Ridley's booklet is so valuable.

**The Problem of Public Expenditure. Adam Ridley: Conservative Research Dept., 20p*

Letters to the Editor

Funds for an Equity Bank

From Mr. B. Fulwell

Sir,—The anxieties that have been expressed and are still clearly felt about the proposal for the establishment of an "Equity Investment Bank" have obviously called into question the basis for the idea. I believe ...hat there exists a fundamental ...allacy of thought about its ...stablishment which has been ...ferred to already by some ...bservers, but without offering a ...ew approach.

While the wish to stimulate ...nd then to maintain employ...ent is valid, such an aim must ...e based on a sound premise. No ...trepreneur begins a business ...enture expecting to suffer con...nuing losses, nor should one ...ek to continue a business on ...ch a basis. Yet many cases do ...ise where the provision of ...ance on a basis not normally ...nsidered prudent by a cor...rate investor should be given, ...ereby producing a benefit not ...ly for that industrial enter...ise but for the economy ...nerally, if proper commercial ...d financial disciplines can be ...llowed.

It should be, and I believe is, ...cognised by Government and ... major industrial enterprises ...ncluding State corporations) ...at the existence of a soundly ...sed and healthy secondary ...vel of industrial concerns is ...cessary to enable the larger ...terprises to operate satisfac...rily. One has only to recall ...e disruption to a car manufac...rer if a component supplier is ...able to supply on time for any ...ason.

Therefore, why not persuade ...ch major enterprises (not the ...stitutions) to make a decision ... commercial grounds (related ...t solely to the direct financial ...turn) to put funds into an ...Equity Bank" for onward lend...g into this secondary level, ...s supporting and promoting ... area of industrial activity ...al to the wellbeing of this ...untry. The institutions can ...d should only be concerned ... the direct financial return on ...r investments; an industrial ...mpany can properly explain to ... shareholders the wider com...rcial considerations to which ...as regard.

Although a major enterprise, ...ether as customer or supplier, ... help a smaller business, the ...ationship becomes direct and ...en not formalised. Far better ...ecognition of the implications ... the wider spread of industrial ...ivity, all of which can be ...ed.

...an Fulwell.
...Queen Square, ...stol.

...Actuarial ...dialogue

...m Mr. C. Fagan

...ir,—The disagreement within ... accounting profession on the ...ject of research and develop...t expenditure and whether ... not it should be capitalised ... company's accounts (Execu...'s World, February 27) is ... similar to the disagreement ...ng actuaries working in life ...rance on the relative merits ... defects of the gross pre...m and net premium methods ...aluation, ...mplifying considerably, a ...s premium valuation capi...es the profit margins con...d in future premiums at ... valuation date, while under ... net or notional premium ...nd profit is only allowed to ...ce in the year in which ... premium is paid.

...e first situation is analogous ...e case of an industrial company in which research and development expenditure is capitalised and appears in the balance sheet as an asset which is then written off against profit in future years, while a life assurance company employing a net premium method of valuation is similar to an industrial company which deducts R and D expenditure from profits each year as the money is spent. There the analogy ends, however, as a life company employing a gross premium method of valuation, while holding the capitalised value of future profit margins as an asset, also includes as a liability a reserve for future profits payable to its participating policyholders.

The discussion within the actuarial profession was stifled considerably by the recent publication of the U.K. Department of Trade's draft rules on the method of valuing long-term insurance business liabilities in statutory returns. The basis laid down by the Department was the net premium method mainly because it was relatively foolproof and removed to some extent the subjective decisions required of an actuary when preparing returns on a gross premium basis.

Although I recognise that the unquestioned solvency of a company is not of such paramount importance in, say, the aerospace industry as it is in the life assurance industry, the point regarding subjective estimates is still valid. Witness what happened to Rolls-Royce's subjective estimates of the profitability of R and D money spent on the RB211-22 programme.

Colin Fagan.
32, Seacrest, Vevay Road, Bray, Co. Wicklow.

Finance for housing

From The Chairman, Housing Centre Trust

Sir,—A growing annual cost of over £1bn. which has more than doubled within five years at real prices, falls upon the general taxpayer in tax revenue foregone as relief on the interest element of house purchase mortgages.

Colin Jones in his excellent feature "Housing the real cuts have yet to come" (February 25) concentrated almost exclusively on the very similar subsidy profile of public housing. Therefore, the moral was not explicit that owner-occupied housing too will have to bear its share of changes following the DoE's current fundamental review of housing finance.

In its recently published *Housing Finance Review* evidence to the Secretary of State, the Housing Centre Trust is firmly of the opinion that fundamental changes are necessary in both the private and the public sectors as part of a comprehensive package. These changes also need to be gradual to protect existing commitments and therefore non-partisan for the kind of ten-year programme needed.

The evidence finds striking similarity in the way ever-increasing subsidies are producing less and less investment in both sectors. In the public sector, as Colin Jones says, subsidies have been used more and more to cheapen the cost of existing housing for existing tenants while producing fewer additional homes and without reducing homelessness. By the same token, however, the tax relief on the mortgage interest of owner-occupiers works in favour of existing owners who are thereby able to borrow at net negative real rates. They also benefit automatically when transferring from one house to another from higher tax relief because the interest rate element is highest in the first years of any new annuity-type mortgage. These advantages have increased the purchasing and trading up power of existing owners (and therefore prices) to the detriment of the would-be owner without having provided, as people believe, the direct stimulus to production which the housebuilding industry has been pleading for.

We too question how long the public expenditure bill for housing can go on increasing its share of resources. But we are also apprehensive that loan finance for private house purchase has so increased its claim on institutional funds that it is, along with government stock, in danger of crowding out the funds needed for investment in industry.

We agree that in public housing the Exchequer is locked into an increasing subsidy liability towards the cost of servicing debt, particularly the increased refinancing costs under inflation. But this phenomenon also occurs in the owner-occupied sector where the Exchequer is under an obligation to subsidise at the rate of 35p in the £1 the higher borrowing rates attributable to inflation, and the mortgage interest which rises each time the same house is refinanced by a different purchaser.

To resolve these and associated problems the Housing Centre offers a set of detailed recommendations which represent the only comprehensive package, including both council housing and owner-occupation, proposed so far. In doing so we hope to stimulate public debate in anticipation of whatever proposals the Government makes this spring, towards an acceptance of the gradual fundamental change which is so badly needed in favour of equity and efficiency across the whole housing spectrum.

Richard Edmonds.
82, Chandos Place, W.C.2.

No benefit to anyone

From the Managing Director, Industrial and Tractor.

Sir,—I am pleased that the contribution of time and effort put into the preparation of the recent BBC "Man Alive Report" on capital transfer tax by the staff and employees of this company has provoked lively comment which one can only hope is read in the right quarters. But Lord Brown (February 26) really cannot be allowed to get away with his attempt to separate his allegations of bias on the part of the BBC's "Man Alive Report" from the criticisms of CTT itself which have appeared in your columns recently.

The programme was not concerned with CTT as a whole: it dealt specifically with its effects on private businesses. If the programme appeared one-sided this was simply because, whatever its claimed merits in other directions, all the evidence is that CTT will have a wholly detrimental effect on the continuation and growth of existing private businesses and will be a powerful deterrent to the next generation of entrepreneurs.

It was remarkable that the Chief Secretary did not seek to defend the principles of the tax as it affects businesses. Rather, he first claimed that CTT provided far less scope for avoidance than Estate Duty, and then spent the balance of the programme explaining various ways in which its effects might be mitigated provided a sufficiently early start were made.

This misses the point. It is of no benefit to anyone that owner-managers should have to concentrate a substantial part of their efforts on working out complicated schemes for reducing the effects of this tax on their businesses. A clear-cut decision by the Government to provide substantial relief for business assets under CTT would provide much-needed confidence in the long-term prospects and enable the owners of smaller businesses to devote all their efforts to their primary task of wealth-creation. The Chief Secretary was incorrect in claiming in this context that the burden of Estate Duty was higher than for CTT, because he ignored the 45 per cent. relief for productive assets which was provided under the former.

So long as assets remain employed in a business they are of no personal benefit to the owner. They do on the other hand constitute an essential element in the process of wealth-creation, and generally provide a means of day-to-day livelihood for employees as well as the owner-managers themselves. They may be a source of investment income to the owner-managers, but any such income is taxed—and heavily at that. Such assets are also a potential source of personal wealth if at any stage they are sold, but again, such sales are already subject to taxation in the form of capital gains tax.

The fear of "loopholes" has been overplayed. It is deplorable that perfectly justifiable concessions should have been branded as such. The fact is that very few people would take the risks and put in the sheer hard work involved in building up a business with the principal aim of minimising the incidence of a tax.

The Government should recognise its mistakes and introduce, in the next Budget, substantial concessions for productive assets under CTT if it is to avoid permanent damage to the health and prosperity of the smaller firms sector of the economy.

D. H. Outwin.
Navigation Road, Worcester.

Facts of life in Africa

From Mr. L. Irvine-Brown.

Sir,—What am I to make of an editorial on Rhodesia (Feb. 24) which uses the term "majority rule" no less than four times? We are not discussing majority rule. What we are pressing Mr. Smith to do is to hand over peaceful and well-governed Rhodesia as a going concern to a tiny clique of self-appointed, power-seeking black "leaders" elected by and responsible to nobody but themselves and then lead a white retreat to any country which would give sanctuary in the full knowledge that if the Russians did not happen to approve the policies of Mr. Nkomo there is no good reason why the Cubans should not be sent to chase him out in favour of Mr. Sithole.

The majority would have as much say in such matters as the majority does in Russia. Nobody is going to ask them what they think or whether they approve the destruction of an economy without which many of them are going to starve. They will do as they are told, think as they are told and if they get a vote they will be well briefed beforehand on the healthy way in which to cast it.

These are the facts of life as it is in Central Africa. They may not exercise much influence in Cannon Street but they probably have quite a lot to do with the thinking of Mr. Ian Smith.

L. Irvine-Brown.
Libbas House, Tilston, Malpas, Cheshire.

To-day's Events

GENERAL
Mr. James Callaghan, Foreign Secretary, begins official visit to Iran.
Coventry North West by-election.
Labour Ministers from OECD countries meet, Paris.
EEC Agriculture Ministers meeting ends, Brussels.
Commonwealth Committee on Rhodesian Sanctions meets, London.
Financial Times two-day conference on The City in National and International Finance ends. Royal Lancaster Hotel, W.2.
Sir Ralph Bateman, CBI president, speaks at its Yorkshire and Humberside Region annual dinner, Sheffield.
Dr. Gavin Strang, Parliamentary Secretary, Ministry of Agriculture, addresses meeting at Niddrie Mains Community Centre, Edinburgh.
The Duchess of Kent and Sir William Ryland, Post Office chairman, formally open new Leeds postal centre. Mr. Gregor Mackenzie, Minister of State, Industry, will also attend.
Sir Lindsay Ring, Lord Mayor of London, attends Barbers' Company dinner, Barber Surgeons' Hall, E.C.1.

PARLIAMENTARY BUSINESS
House of Commons: Second reading of Race Relations Bill. Motion on EEC documents on lead pollution.
House of Lords: Shops (Holiday Resorts and Sunday Trading) Bill, committee. Second reading of Water Charges Bill and of International Carriage of Perishable Foodstuffs Bill.

OFFICIAL STATISTICS
Vehicle production and estimates of new car registrations (February—provisional).

COMPANY RESULTS
Barclays Bank (full year).
EMI (half-year).
Homfray (half-year).
Provident Financial (full year).

COMPANY MEETINGS
British Sugar Corporation, Tower Hotel, E., 12.
Central Line Securities, 20, Aldermanbury, E.C., 11.45.
Hall-Thermotank, 242, Vauxhall Bridge Road, S.W., 10.30.

MUSIC
London Symphony Orchestra, conductor André Previn, with Yong Uck Kim (violin), plays Brahms variations on St. Anthony Chorale, Mozart's violin concerto in G, and Rachmaninov's symphony No. 3 in A minor, Royal Festival Hall, S.E.1, 8 p.m.

SPORT
Tennis: European Nations Cup, Great Britain v. West Germany, Washington, County Durham. Squash rackets: British women's championship, Wembley. Table tennis: European League, England v. Netherlands, Norwich.

COMPANY NEWS + COMMENT

UCM forecasts upsurge to over £2m.

FROM A reduced turnover of £53.46m., against £77.99m., first half pre-tax profit of United City Merchants increased from £1.07m. to £1.21m., in line with the substantial improvement forecast last December.

And the directors indicate an increase from £1.72m. to over £2m. for the year to June 30, 1976.

The interim dividend is effectively raised from 0.5p to 0.55p per 10 share. Last year's total was equal to approximately 0.8347p.

	Six months 1975 £	1974 £
Turnover	53,460,182	77,986,881
Convertible loan int.	66,097	66,100
Pre-tax profit	1,209,799	1,066,988
Taxation	648,093	535,000
Minorities	10,106	48,000
Attributable	551,510	466,988

Increased first half profits are reported by the leather manufacturing subsidiary, Stimpson-Perkins, while those of Pharaoh Gane and Co., the timber agent and broking offshoot, were sharply reduced.

Stimpson Perkins turnover was £2.03m. (£1.62m.) and profit £223,600 (£164,900), before tax of £116,400 (£85,800).

Turnover of Pharoah Gane contracted from £41.95m. to £18.7m., and profit was £94,700 (£253,000), subject to tax of £48,600 (£128,500) and minorities £7,750 (£20,200).

● comment

United City Merchants' first-half figures—profits 13 per cent. higher on a 31 per cent. fall in sales—reflect both the depressed level of timber imports last year and strong growth performances in most of the other higher-margin activities. The star performers were the leather manufacturing side, which is recovering from last year's setback, and the general trading interests, particularly those operating in the Middle East and North Africa. Orders for timber have started to pick up in the current year, in time for the group to take full advantage of the Russian open-sea shipping season, and the forecast of £2m. pre-tax for the year is clearly looking forward to a big recovery here in the second half. A yield of only 3 per cent. at 32p does not look over-generous, but the dividend is well covered (6 times) and the shares must derive some support from the group's impressive growth record.

INDEX TO COMPANY HIGHLIGHTS

Myddleton Hotels expansion

Turnover for the six months to December 31, 1975 of Myddleton Hotels rose from £1.3m. to £1.51m. and profits expanded from £143,000 to £208,000 before tax of £93,000 against £63,000.

The interim dividend is 1.4625p (1.3073p) net or 2.25p (same) gross per 50p share. Last year's net total was 3.82p paid from profits of £128,711 before tax.

Sales of The Sackville Hotel, Hove, and The Cumberland Hotel, Eastbourne, have been completed and the cash proceeds of £315,000 have been employed to reduce the £500,000 loan from the company's bankers.

Following the improved trading, the loan now stands at £120,000, which the bankers have agreed may be repaid over four years.

To protect the interests of Debenture holders in the 10½ per cent. Mortgage Debenture 1994/1999, and also to free the Sackville and Cumberland hotels a substitution has been made in the trust deeds with the consent of the trustees, of The Beaufort Hotel, Bath, for three hotels, The Sackville Hotel, The Cumberland Hotel and The Balmer Lawn Hotel.

Good start for Union Discount

IN THE current year, Union Discount Company of London has made an exceptional start with the first two months being extremely profitable, the chairman, Mr. A. J. Ritchie, said at the annual meeting yesterday.

He added that it would, however, be as unwise as ever to make any forecast as to the likely results for the full year or indeed for the first half.

Mr. Ritchie told shareholders that rather more stable conditions looked like developing as far as interest rates were concerned. But they were subject to major uncertainties concerning home and overseas economic trends, developments over Britain's counter-inflation policy and the size of the public sector borrowing requirement in 1976.

"In general terms our own industrial recession looks as if it will continue beyond 1976, although there are now some indications of the beginnings of recovery," said Mr. Ritchie. "But these will not, I expect, reach significant proportions until well into 1977, when we should be in the slipstream of the anticipated recovery in world trade."

He also expressed concern, in the light of its being the group's business to deal in short-term markets, at the fact that for the current year and for 1976-7 public expenditure is to be higher and not lower.

"One can only hope that, when 1977 comes, the political determination to put these cuts into effect will be as strong as now, and will persist through the following years," he added.

"In the meantime, the public expenditure has to be financed and this must pose uncertainties for the level of U.K. interest rates."

Statement Page 21

Bonser Engineering pays more

REFLECTING INCREASED expenditure on new product development of £132,000, against £33,000, group pre-tax profit of Bonser Engineering decreased from £466,000 to £373,000 in the year to November 30, 1975. At halfway profits were up from £155,000 to £206,000.

Stated earnings per 20p share for the year were down from 3.88p to 2.86p. The dividend is stepped up from 1.1001p to 1.174p net—the maximum permitted—with a final of 0.784p.

Turnover increased to £6.906m. (£6.476m.). Net profit came out at £172,000 (£233,000).

Exports rose for the 12th year running and all the company's traded profitably.

Margins were sufficient to finance a major new-product development programme, to improve financial and stock controls, and to keep the entire workforce in full-time production, the directors state.

The company manufactures mechanical handling, pneumatic and hydraulic equipment.

● comment

Bonser Engineering has maintained its trading margins, although volume was slightly down on the previous year because of the deepening recession in the construction industry which affected both the fork-lift truck and compressor businesses. On sales value up 6.6 per cent., pre-tax profits are nearly 20 per cent. lower. But this was after writing off expenditure on new product development—including five new truck models already being shipped for export. The current order book is said to be up on this time last year with the agricultural market compensating for the lower orders from construction. The yield and p/e on the shares at 29p are in line with the sector at 6.4 per cent. and 9.86 respectively, the dividend being covered 2.4 times.

Clydesdale Bank improves

Profits before tax for 1975 of the Clydesdale Bank, a subsidiary of the Midland Bank, rose from £8.03m. to £8.75m.

A final dividend of 9.6p net makes a total of 17.6p compared with 16p in 1974.

	1973 £000	1974 £000
Trading surplus	9,661	8,638
Depreciation	917	698
Trading profit	8,744	7,940
Trade inv. income	16	112
Profit before tax	8,750	8,052
Tax	4,591	4,331
Net profit	4,163	3,321

Second half jump by BCA

REFLECTING A second-half upsurge, pre-tax profit of BCA expanded from £435,695 to £567,722 in 1975, after a first-half downturn from £311,167 to £247,266.

Stated earnings per 20p share for the year increased from 2.4p to 3p, and the dividend is lifted from 1.86p to a maximum permitted 2.0276p with a final of 1.4676p. The company is a subsidiary of Associated Portland Cement Manufacturers.

Building and construction industries remain depressed, and it is expected that there will be some downturn in trading volume during 1976, the directors state.

	1975 £	1974 £
Turnover	8,576,899	4,732,840
Trading profit	1,252,169	1,067,121
Depreciation	615,744	595,065
Share associates	15,378	12,997
Investment income	28,577	61,353
Finance charges	107,534	110,780
Profit before tax	567,722	435,695
Corporation tax	129,100	123,100
Invest. incentives equal.	253,000	179,000
Net profit	155,622	121,395
Dividends	104,275	96,020
Retained	51,348	25,375

Trading in the second half was better than anticipated and tonnage sold exceeded that in the first six months.

The improved profit reflects economies achieved during 1974-75.

A sum of £825,000 was spent on plant additions, against £362,000, resulting in a larger transfer to investment incentives equalisation. Surpluses arising on the revaluation of fixed assets disposed of amounting to £38,400 (£15,516) have been transferred to reserves.

But for the revaluation of assets at end 1972 and the spreading of certain tax allowances and other investment concessions over ten years, earnings per share in 1975 would have been 12.4p (9.8p).

● comment

BCA's share price has seen very little movement in the last six months or so but yesterday's news of a 158 per cent. pre-tax recovery in the second half, after a 21 per cent. drop in the first, sent the shares 3p higher to 26p. The warning of lower volume in the current year suggests that the recovery may be short-lived, but the group is apparently looking for further cost savings (following those which lifted margins one point last year to 10.2 per cent.) after the recent installation of new equipment at a cost of around £825,000. Last year's investment programme has largely wiped out cash resources (£671,000 in the last balance-sheet), but with the parent company loan—now £800,000 against £1m. a year ago—the only debt, the financial position looks strong. The shares are yielding 12.7 per cent., covered almost 1½ times.

Mr. Eric Sosnow, chairman of United City Merchants.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
BCA	1.47	April 29	1.3	2.03	1.86
Black Arrow ...int.	nil	—	0.67	—	1.45
Bonser Eng.	0.78	April 23	0.73	1.17	1.1
Excalibur Jewellery	0.21	April 27	0.21	—	0.39
Family Trust	1.55	May 6	1.4	2.7	2.5
Nu-Swift ...2nd int.	0.8	April 2	0.72	1.28	1.19
Rhodesian Corp.	0.56(a)	—	0.26	0.56	0.56
United City Merchants int.	0.55	April 7	0.3*	—	0.85*
W'hampton Die Castg. int.	0.39	April 13	0.35	—	0.7

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or aquisition issues. (a) Scrip option provided.

Rothmans seeks to diversify

Rothmans International, the cigarette and tobacco group, is seeking acquisitions in order to diversify its activities, Sir David Nicolson, the chairman said in London yesterday.

The group was looking for companies in the U.K. and Europe earning perhaps £6m. to £7m. profit before tax. However, Rothmans was anxious to make the right choice and there might not be any move this year.

Sir David is confident that cash will be available for any acquisition. Profits are expected to recover in the current financial year from their drop to £31.2m. last year.

Family Trust dividend up

Net earnings of the Family Investment Trust were up from £119,104 to £120,920 in the year ended January 31, 1976, equivalent to 2.75p (2.71p) per 25p share.

Against a forecast of not less than 1.45p net, the final dividend is 1.55p making a total of 2.7p against 2.5p previously.

Net revenue in the first half was up from £37,842 to £63,420 and directors said then that estimates for the year indicated higher revenues.

At January 31, 1976, valuation of investments was £2.69m. (£1.35m. a year earlier) including 100 per cent. of the investment dollar premium amounting to £14,518 (£12,611). The valuation excludes net current liabilities of £40,461 (£305,121 net current assets).

An amount of £2.66m. (£1.66m.) is attributable to Ordinary equivalent to 60¼p (37½p) per share.

	Year 1975-76 £	1974-75 £
Investment income	173,391	164,178
Other income	31,335	36,708
Making	204,726	200,582
Management expenses	9,497	11,342
Bank interest	319	217
Tax	73,940	70,199
Net earnings	120,920	119,104
Dividends	115,500	110,000

Wolverhampton Die profit growth

First half turnover of Wolverhampton Die Casting Group decreased marginally from £3.37m. to £3.29m., but pre-tax profit advanced from £113,000 to £137,000 in the half year to December 31, 1975.

Customer demand was maintained, although at a low level, and this situation is continuing, the directors state.

For the year to June 30, 1975 turnover was £6.71m. and profit £225,000.

The interim dividend is raised from 0.35p to 0.385p net per 10p share. Last year's total was 0.7p.

In view of tax losses carried forward, advance corporation tax arising on dividends has been written off against profits. For tax purposes this amount will be carried forward and may be relieved against corporation tax liabilities on future profits, it is stated.

	Half year 1975 £000	1974 £000	1974-75 £000
Turnover	3,293	[illegible]	6,712
Trading profit	194	164	340
Interest payable	57	31	115
Profit before tax	137	113	[illegible]
ACT	10	9	19
Tax equalisation	70	69	104
Net balance	57	45	103
Pref. dividends	2	2	4
Ordinary	17	15	30

UNIT TRUSTS

M&G launches new Commodity Fund

BY CHRISTOPHER HILL

The M & G group is launching a new unit trust on Saturday, the M & G Commodity & General Fund. It will concentrate on the shares of companies operating in the metals, rubber, wool, timber and agricultural products fields, with an initial emphasis on overseas trading companies—the latter are likely to amount to 15 per cent. of the total portfolio at the outset. Gold shares will have a low profile.

Main objective is capital growth and income will not be a factor in portfolio selection. Above average fluctuations are to be expected but the initial estimated gross yield is 5¼ per cent. The fund will invest on a worldwide basis and the usual "back to back" loan facilities are available to minimise the impact of the currency premium.

M & G estimates that there are over 300 "quality" companies which qualify as investments for a commodity fund.

M & G considered carefully whether it should launch an "offshore" fund which might invest directly in commodities before deciding to launch its new unit trust. It came down in favour of the latter mainly because it believes that funds which invest directly in commodities are better suited to institutional investors. Minimum initial investment is £250 (500 units) and the charges comprise a 3¼ per cent. initial levy plus an annual ½ per cent. per annum.

The fund will be quoted on the Stock Exchange in the same way as other M & G funds but the trust marks a departure from normal practice in that commission will be payable to accredited agents.

The group has never been keen on paying agents' commission but has taken the decision to conform to general practice in view of the growing number of professional advisers who do not fit into the stockbroker bracket and who may require an alternative means of reward than reciprocal Stock Exchange business.

NATWEST REVISES SAVINGS PLAN

NATIONAL WESTMINSTER Unit Trust Managers are revising the monthly savings scheme to conform with the new tax qualifying rules for life assurance premiums which come into operation on April 1. The new Sunflower Monthly Savings Plan is now a ten year contract, with options to continue the term of the policy at the end of this period. Minimum premium is £5 per month.

Life cover under the plan varies with age, but it is at least 90 times the monthly premium—the minimum necessary for the premiums to qualify for tax relief (at present 17½ per cent.). This low level of cover, combined with low charges, results in a higher-than-average proportion of premiums being invested. Again this depends on the age of the investor—for ages up to 50 the amount invested is 82½ per cent. of the first year's premiums and 100 per cent. subsequently. The investor is offered the choice of either the National Westminster Capital Trust or the Growth Trust as investment vehicle. The plan is underwritten by Commercial Union Assurance.

The new scheme is available now and replaces the previous Sunflower regular savings plan, which would not have qualified for tax relief under the new rules. The managers have also taken the opportunity to simplify certain features of the savings scheme.

ISSUE NEWS AND COMM

Scottish Metro. raising £4.13m.

The Scottish Metropolitan Property Company proposes to issue £4,242,321 of 9 per cent. Convertible Unsecured Loan Stock 1992/1996 by way of rights at par. The stock is payable as to £50 on acceptance not later than March 25 with the balance due not later than June 24. The issue will raise £4.13m.

The stock is offered to both Ordinary shareholders and holders of the unlisted Convertible Debenture stocks and other Convertible Loan capital as at February 12, in the proportion of £1 stock for every 9 Ordinary shares. Holders of the debenture and loan stocks have been allotted a total of £1,222,730. The stock is convertible on the basis of 133 Ordinary shares for every £100 of stock.

Chairman Mr. Isidore Walton states that the policy of the group continues to be the acquisition of properties for investment which ensure an immediate and satisfactory income, and the undertaking of developments where these can be substantially pre-let to provide an appropriate return on completion.

At February 23, 1976, the company had outstanding short term debt of £1,337,500. Although the present and expected commitments for property investment and pre-let developments amounting to £4m. over the next two years, are covered by existing short-term facilities the Board's policy is not to rely on short-term financing for expansion.

The issue is being underwritten by Laing and Cruickshank and Stirling Hendry and Company. Dealings are expected to commence to-morrow.

● comment

Following its cautious policy of pre-financing developments, Scottish Metropolitan is floating this convertible to cover the costs of various developments over the next couple of years amounting to some £4m. Presumably there is an opportunist element in the financing, as there are no short-term debt problems, but it is the group's policy of longer-term funding which avoids this. Anyway, shareholders are offered an equivalent conversion price per Ordinary share of 75.2p—a discount of an eighth against last night's market price of 86p, down 5p. The rate of return ... company when the ... velopments are complete ... comfortably exceed the ... servicing the convertible ...

S. Hoffnung 1-for-4

S. Hoffnung is pro... raise £1.88m. by a ... rights issue at 55p ... being underwritten.

The directors have ... increase the group's ... order to support gro... allow for the increase in ... capital that will be ... finance an improvement ... The issue will also provi... funds to finance the ex... the substantial export ... G & M Power Plant.

In the absence of ... circumstances they fore... pre-tax profit for the ... ing March 31, 1976, wi... less than £3.3m. (£2.9... deducting exceptiona... amounting to a net £0.2... increase in profit £0.3... result of depreciation o... against the Australian...

First half pre-tax pr... Hoffnung increased to ... from £1,795,000. The thi... was adversely affected ... ness uncertainties in... including those occasion... general election. Trad... tions are expected to i... a gradual rate over the ...

The directors are for... final dividend for the ... 2.4395p per share maki... of 3.7895p or a gross di... 5.83p, which is a 10... increase on last year. ... will commence next Mo...

MID-SUSSEX WATER

The Mid-Sussex Water ... announces that ... totalling £3,934,200 were ... in respect of the offer ... tender of £1,250,000 8... Redeemable Preference ... 1981.

Average tender price ... per cent. and tenders of ... cent. were allotted in ful... of £99 per cent., were ... approximately 12½ per c... nominal amount of stoc... for.

Grendon over limit

Grendon Trust, the property company which came under the management control of merchant bankers Keyser Ullmann in 1974, will be in breach of its borrowing limits imposed by the trust deed of its 11 per cent. Unsecured Loan stock when audit of its accounts to September 1975 is completed, the Board said yesterday. Keyser Ullmann assumed management control to protect loans of £17m. made to finance a bid for Grendon by a private company controlled by Mr. Christopher Selmes. The statement added that discussions are taking place with the loan stock trustees and with Keyser Ullmann, the principal bankers, which may lead to an offer to purchase the loan stock.

It added that Grendon has been advised that the content and presentation of the acco... depend upon the outcom... discussions. A draft ... profit and loss account ... on a going concern bas... year does, however, sh... before tax, extraordina... and minority interests ...

The Board says this ... caused by the excess o... payable over rent recei... addition there has been ... write-down of the comp... perty portfolio of £1.3m ... a professional valu... September 30, 1975; an... an extraordinary loss ... although there is a ... deferred taxation of £1...

The Board has asked ... Exchange to suspend t... the quotation of the ... loan stock from this mo...

هكذا من الأصل

صورة من الأصل

Confidence at Silentbloc

SPITE THE present depressed ...dition of manufacturing ...ustry, Mr. C. F. Whitehorn, ...irman of Silentbloc Holdings, ...s he looks to the future with ...at confidence.

...owards the end of the year September 28, 1975, there was ...emporary slackening in order ...ake in some sections, but by ... autumn the trend had ...ersed and the order book was ...uilt to "a very satisfactory ...e."

...s reported on February 27 ...up pre-tax profit expanded ...m £481,431 to £874,161 in the ...t year. The doubling of direct ...ports to £2.92m. made a sub...ntial contribution, says Mr. ...itehorn. The directors are ...iving to effect further ...reases.

...t was a bad year for the ...stralian offshoot, but the ...rent year shows a steady ...wth in order levels, and better ...ults are expected.

...Great efforts put into the de...opment of Andre Rubber Com...ny reaped their reward with ...ord output, exports, and ...ofits. Its improved competitive ...sition augers well for the ...ure.

...In an effort to make good the ravages of inflation a special provision of £50,000 has been made for retirement benefits.

Directors' emoluments include £22,664 retirement payments.

During the year overdrafts were decreased by £320,587 (£261,328 increase) to £600,137.

It is proposed to change the name of the company to Andre Silentbloc. BTR owns 27 per cent. of the capital.

Excalibur Jewellery expands

TURNOVER, for the half-year to October 31, 1975, of Excalibur Jewellery advanced from £1.69m. to £1.95m. and pre-tax profits rose from £333,972 to £352,147.

After tax up from £173,665 to £183,116, earnings are shown to have risen from 1.1p to 1.2p per 5p share and the interim dividend is lifted from 0.2077p to 0.2142p net. Last year's total was 0.3898p paid from profits of £601,257 before tax.

RECENT ISSUES

EQUITIES

Issue Price	Amount Paid Up	Latest Renunc. Date	1975/6 High	1975/6 Low	Stock	Closing Price p	+ or −	Div. or Amount	Times covered	Gross Yield	P/E Ratio
10c	F.P.	—	340	340	Ang.Am.Coal Corp. 50c	340	−10	[illegible]	2.3	4.0	—
[illegible]	F.P.	—	$12½	$12	Brazil Fund S.A.	$12	......	—	—	—	—
[illegible]	F.P.	—	$10,500	$10,500	Brasilvest S.A.	$10,500	......	—	—	—	—
[illegible]	F.P.	—	85	82½	Electra Inv. Tst.	85	−½	b2.8	1.1	6.7	21.4
—	F.P.	—	243	225¼	Hughes Tool $1	231	......	Q40c	—	0.6	—
10	F.P.	—	205	158	LASMO 'OPS' Units 10p	165	−5	—	—	—	—
10	F.P.	—	203	158	SCOT 'OPS' Units 10p	165	−5	—	—	—	—
—	F.P.	—	£205¼	£201½	Tenneco Inc. $5	£203¼	......	Q51.75	—	4.0	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1975/6 High	1975/6 Low	Stock	Closing Price	+ or −
100	F.P.	—	100¼	99⅝	Agricultural Mort. 10⅝% Bds. 1977	100¼	......
100	F.P.	—	100	100	Do. Do. 10⅝% Bonds 1977	100	......
£100	F.P.	7/4	104	98	Arbuthnot Lath. 8% Conv. Uns. 1986	104	......
£100	F.P.	19/8	137	126	Bowring (C.T.) 10% Conv. Uns. Loan 1987	134	......
100	—	—	99½	99	British Gas Corporation Ltd. Notes 1981	$99½	......
98	F.P.	23/1	104½	99¼	Essex Water 9% Red. Pref. 1981	101¼ xd	......
HK$100	50	26/3	12½	225p	Jardine Math. 7½% Conv. Uns. 1990	10⅞	......
100	£50	—	32½	28½	LASMO 14% Uns. Loan 81-85	28½	−1½
100	F.P.	—	99½	99½	Midland Bk. FloatRap. Notes 1985	$99½	......
100	F.P.	—	101	99¼	Norway 9¾% $ Notes 1981	101	......
100	—	16/2	111	98	Pentos 15% Conv. Uns. 1986	111	......
100	F.P.	—	99½	99½	Royal Tst. Mort. Corp. 9¼ Deb. 1981	$99½	......
100	£30	—	32½	28½	SCOT 14% Uns. Loan 81-88	28½	−1½
100	F.P.	—	99½	99½	Seagram 9% Notes 1983	$99½	......
50p	F.P.	17/11	50¼p	45p	Single 10% Cum. Conv. Pref.	47½	......
[illegible]	F.P.	20/2	130½	110	Tenneco 10% Sterling $ Conv. 91-95	128½	−½

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date		1975/6 High	1975/6 Low	Stock	Closing Price p	+ or −
60	Nil	12/3	—	15½	12	Allen (E.) Balfour	13½pm	......
64	F.P.	4/2	26/3	75	68½	Armitage Shanks	72	+½
50	F.P.	13/2	12/3	69	63½	Baker Perkins	69	......
95	F.P.	11/12	2/4	165	94	Berisford (S. & W.)	159	−2
120	F.P.	2/3	7/5	162	150½	Blackwood Hodge	157	−2
28	Nil	15/3	12/4	7	4	Braham Millar	6pm	......
66	Nil	6/2	6/4	25	24	Bramall Beard	26	......
25	F.P.	17/2	24/3	28	25	Brown Street Knit	25	−½
75	F.P.	27/2	26/3	97	95	Carpet Intnl.	95	......
32	Nil	16/3	15/4	5	4	Consultec	5pm	......
31	Nil	12/3	9/4	9	8½	H.A.T. Group	10pm	......
75	Nil	4/3	9/4	7½	7¼	Jackson (J. & H. B.)	7½pm	......
17	Nil	3/3	6/4	8	5	LCP Holdings	7pm	......
60	F.P.	26/1	12/3	72	68½	Lake & Elliot	71	......
15	F.P.	13/2	16/3	25	18	Liner Concrete Machinery	19	......
37	Nil	3/3	20/7	10½	7	Lloyd (F.H.)	9pm	......
10	Nil	16/3	23/4	20	19	Lloyds Bank	19pm	−1
84	Nil	12/3	2/4	21½	18½	Meyer (Mont. L.)	17½pm	+½
19	Nil	15/3	26/4	4	3½	Mitchell Somers	4pm	......
190	F.P.	30/1	16/2	302	260	Nat. Bank of Aust.	260	......
10	F.P.	23/2	19/3	145	129	Ocean Transport	130½	−½
38	Nil	—	—	42	18	Standard Chartered	32pm	−7
84	F.P.	24/2	25/3	94	82½	Stenhouse Hldgs.	94	......
80	F.P.	25/2	24/3	92	88	Strong & Fisher	88	......
62	Nil	19/3	2/4	10	3½	Tecalemit	4½pm	......
20	F.P.	6/2	2/4	14	12½	Tomkins (F.H.)	12½	......
62	Nil	17/3	14/4	22	19	Triplex Foundries	19pm	......
50	Nil	15/3	11/5	19	20	Turner & Newall	14pm	......
48	Nil	18/3	12/5	7½	3	Ward (T. W.)	3¼pm	−¼
8	Nil	—	—	6	4½	Whessoe Watson	4½pm	−½
36	F.P.	27/2	9/4	136	125	Wolseley-Hughes	130	......

Renunciation date usually last day for dealing free of stamp duty. a Placing ...ce to public. b Figures based on prospectus estimate. d Dividend rate paid or ...yable on part capital, cover based on dividend on full capital. p** Pence ...ess otherwise indicated. ¤ Forecast dividend: cover based on previous year's ...nings. M Figures based on prospectus or other official estimate for 1976. ...figures assumed. ‡ Cover allows for conversion of shares not now ranking dividends or ranking only for restricted dividends. ** Issued by tender. Offered to holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. † Rights ...way of capitalisation. †† Tender allotment price. ♦ Reintroduced. ‡‡ Issued in ...nection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to ...mer Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or ...ly-paid allotment letters. ¶ With warrants.

Encouragingly high order book at Prestige

MANUFACTURERS of domestic housewares, Prestige Group, entered 1976 with orders on hand at an encouragingly high level, says chairman Mr. D. J. T. Lawman.

He adds that the company will continue to place emphasis on improving efficiency and to take advantage of any opportunities which may be found of achieving profitable expansion.

As reported on February 3 pre-tax profits for 1975 expanded from £4.41m. to £4.75m. and the dividend is lifted from 4.3625p. to 4.54875p net.

To reduce disparity with the final it is the intention of the directors, in the absence of unforeseen circumstances, to pay an interim dividend for 1976 of 1.75p (1.4p) net.

An analysis of external turnover £42.09m. (£35.09m.) show U.K. £29.19m. (£23.82m.), overseas £17.43m. (£15.97m.) and sales to group members £4.53m. (£4.7m.). A breakdown of pre-tax profit discloses U.K. £3.89m. (£2.88m.) and overseas £0.86m. (£1.53m.).

Mr. Lawman points out that "strenuous efforts" were made during 1975 to maximise the group's cash resources. Cash, short-term investments and loans increased to £4.11m. (£2.76m.) and foreign bank overdrafts decreased to £0.88m. (£1.62m.).

During the year a new wholly owned subsidiary, Prestige Group (Japan), was formed to market in Japan products manufactured by the group and also some locally produced merchandise.

The group is controlled by American Home Products of the U.S. Meeting, Prestige House, E.C., on March 30 at noon.

Chairman's statement Page 20

Increased loss at Laganvale

After higher interest, etc., of £228,958 compared with £158,308 Laganvale Estates incurred an increased pre-tax loss of £156,454 for the year to April 30, 1975, against £79,645 for the previous 12 months.

Loss per 10p share is given at 8p (3.06p) and as already announced there is no dividend. The last payment was that of an interim of 0.3p net in 1974.

Chairman Mr. J. W. Chalk states in his annual report that difficult trading conditions are continuing during the present year and further losses have been sustained aftre April 30, 1976.

It is now the company's policy to let properties instead of redeveloping them and this has been possible in most cases. In order to reduce the company's indebtedness the directors will continue to sell properties as opportunities arise, he adds.

Turnover for the year was £322,112 (£425,652). There is a tax credit of £76 (£19,806).

Meeting, 1, Queens Gate, S.W., on March 25 at 3 p.m.

Nu-Swift upturn in second half

TURNOVER OF Nu-Swift Industries for 1975 at £6.65m. against £5.93m. is a record and pre-tax profits have risen from £669,289 to £705,275. Stated earnings per share are up from 3.34p to 3.52p and from 1.48p to 1.69p after tax.

A net second interim in lieu of a final of 0.8p makes a maximum permitted 1.275p against 1.1951p. The directors say it is too early to make any firm profit prediction for the current year but they expect to pay an interim dividend in October of not less than the 0.475p paid last year.

Profits in the first-half of 1975 were down slightly from £290,000 to £285,000 and directors said then that they did not expect that profits for the second six months would be at a level higher than those of the first half.

They now describe the profit upturn in the second half year as "encouraging."

Other highlights of the year's results are: a rate of return on assets maintained at 40 per cent., debtors reduced 25 per cent., stocks cut 15 per cent., and a stronger liquidity position.

There was also accelerated research and development with a possible launching of two new models in 1976, 28 per cent. more employees now active in "direct" selling and servicing in U.K., and no weekly workday lost through strikes.

The directors say the order intake in first two months of 1976 from both home and export markets has continued to show similar buoyancy to the last quarter of 1975.

At March 2, home orders were 25 per cent. up and exports 91 per cent. higher. However, it is more realistic to compare export orders with the higher order intake of last half of 1976, the directors point out. In that context, 1976 orders show a 33 per cent. rise.

Sir Frederick Delve, a director, will retire at the AGM and will resign from the Board.

The group makes portable fire extinguishers.

● comment

For the second consecutive year Nu-Swift's forecast has gone awry —this time happily, with a price increase in the second half, giving a strong uplift to last-quarter profits. All the growth in turnover was due to this boost—physical volume, in fact, fell, the recovery in order intake in the second half notwithstanding. Unexecuted orders at £440,000, are down about two-fifths on a year ago, although the company is cautiously optimistic about prospects, with exports showing a significant increase. Furthermore, it has turned liquid again with a cash holding of £0.5m. and nil borrowings. The share price rose by 2½p to 19½p last night, giving a p/e of 11 and yielding 10½ per cent. covered 1.3 times.

First half progress by Kursaal

An increase in profit from £M108,401 to £M131,935 is reported by Mr. Eric MacAdie, chairman of Kursaal Company, owners of the Dragonara Palace Hotel and casino in Malta, for the six months to November 30, 1975. Turnover rose from £906,033 to £1,062,513.

For the last full year profits totalled £116,347.

The interim dividend is raised from 8 per cent. tax free to 9 per cent. and an increase in the final payment is anticipated.

Mr. MacAdie tells holders that hotel occupancy broke all records but the company is still suffering from the time lag between adjusting prices and facing constantly rising costs.

The casino attracted a greater number of visitors and the company is exploring ways of attracting more customers.

	Half-year 1975 £Maltese	1974 £Maltese
Turnover	1,062,513	906,033
Hotel	601,758	492,677
Casino	426,865	351,215
Lido	26,523	20,744
Shop rents and other income	7,367	11,397
Trading profits	217,323	190,502
Hotel	127,008	109,560
Casino	72,329	69,503
Lido	10,779	7,097
Other	7,367	3,360
Expenses	85,368	82,161
Profit	131,935	108,401
Preference dividends	11,266	11,266
Interim Ordinary	27,000	24,000

Spencer Clark sees lower income

The chairman of Spencer Clark Metal Industries, Mr. N. Edge, says in his annual statement that the current year's trading will certainly not produce results of the same order as in 1974-75. Sales turnover has diminished in most sections of the trade and as yet there is no sign of an uplift.

However, the company is still trading profitably, and he does not think the final figures will be too poor when compared to the rest of the industry. Strenuous efforts are being made to improve performance, and Mr. Edge views the medium term future with "considerable optimism, particularly in the light of several promising developments which the company has in hand."

As reported on January 16, sales rose from £4.13m. to £3.9m. in the year to September 30, 1975, and pre-tax profits advanced from £576,159 to £748,262. The dividend total is 1.95p (1.8p) net per 20p share.

The chairman reports that 1974-75 was notable for a much larger sales turnover than 1973-74, carrying on strongly to the year end. Price rises of bought-in metals resulted in a value inflation of stock materials of some £150,000, and this amount though not beneficial to the company is included in the profits figure. Removing this from the total shows that the return on trading activities is some 10 per cent. of turnover.

Schemes completed during the year include the movement of bar finishing facilities to the Warren Street works, and various other projects which reduce dependency on specialist sub-contractors. "We now have greater control over production, and can thus give better service to customers, bringing benefits all round," declares Mr. Edge.

New CU risk management subsidiary

By Eric Short

Commercial Union Assurance has established a risk management company — Commercial Union Risk Management—as a wholly-owned subsidiary. It will offer a complete technical and scientific risk management service covering avoidance, reduction, retention and transfer. It offers clients a complete risk management appraisal and will continuously monitor any control programme established.

It will also offer services to clients wishing to form their own captive insurance operations. This will include a comprehensive feasibility study into the formation as to its viability, advice on the most advantageous location in which to establish a captive and complete back-up facilities providing all requisite management services for the operation of the captive.

Payment for the services will be on a fee basis, and there is a flexibility in the method of assessment—either a flat rate for the job or a rate per day or on a retainer basis. The subsidiary will operate on a complete arms length basis from the parent.

Unionamerica Insurance

In its fourth year of operation, Unionamerica Insurance Company reports a net profit of £226,900 for 1975, struck after an underwriting loss of £85,000. In 1974 the company made an operating profit of £94,000 after an underwriting loss of £109,607.

Gross premiums amounted to £6.59m. in 1975 compared with £4.68m. in 1974. After reinsurance the net premiums were £3.24m. against £1.75m. previously.

Unionamerica is the U.K. subsidiary of the Unionamerica Insurance Group.

WINDING-UP ORDERS

Orders for the compulsory winding up of 33 companies have been made by Mr. Justice Brightman in the High Court.

They were: Metric Reinforcements, Michael Fabian (Personal Management), Tower Trucking (Haulage and Warehousing), Anfield Building Company, Warrant Investments, Caerau Demolition Company, Martin and McGurk, Masilton.

Harry Cripps, Collilands, R. G. Coker and Co. (Essex), Marine Instruments and Fittings, Ground work and Concreting (Wolverton), McBeath Construction, Tudor Taxis, Landstone Securities, E. Byrne (Plant Hire).

Day and Lloyd Fashions, Van Hulst Van Lines, Luton Cash and Carry, Asprey, Fred Taylor (Purfleet), P. J. Keaney Son and Co., Serenobend, J. Franks (Guildford), Valerie Dalor.

B.T.M. Records, Stanley V. Davis (Homes), Dillex Industries, Helijet Executive, Hobbs Padgett and Co., Cooper Holyoak and Co., and Threeways Coachworks (Walworth).

SAI unable to recover substantial costs rise

IN THEIR report for the 15 months to December 31, 1975, the directors of Scottish Agricultural Industries say that inflation had a widespread effect on the group's business during the period.

This was reflected in the fact that value of sales, although a record, can largely be accounted for by rises in the prices of goods sold compared with the previous year and by additional sales of barley.

The rise in costs was also substantial and the current Price Code initially, and market pressures later, prevented the recovery of the full amount of the higher costs by increases in prices, the directors say.

As reported on February 13, pretax profits of the group, a subsidiary of ICI, were £4.59m. In the 12 months to September 30, 1974, the profit was £4.39m. The dividend is 13.7769p net against 10.3203p for the previous year.

The balance sheet shows net current assets at December 31 of £13.29m. (£11.9m. at September 30, 1974), including bank debt of £2.22m. (£416,000), £300,000 (nil) short-term loan, £33,000 (£35,000) cash and £15.9m. (£13.21m.) debtors.

The directors say the success of the group is closely linked with farming prosperity and climatic conditions during 1975 were favourable for the Scottish farmer.

Yields from the 1975 grain harvest were slightly down on the previous year's peak but prices remained firm. Although potato yields were lower than in 1974, returns have broken all records.

For the second year running the stock farmer fared worse than the arable farmer. However, there has been a slight upturn in confidence with a firming demand for store anicals.

The rapid rise in fixed costs for all farming enterprises is particularly severe for the milk producer. Returns for the pig producer improved but the egg industry remains in a depressed economic situation, the directors point out.

Sales demand for compound fertilisers was sufficient to require a record output from Leith fertiliser works and output from the Aberdeen factory close to capacity. After meeting home demand some sales were made in the export market. A feature of the grain trade was the significant export market which developed on the Continent for both malting and feeding barley.

The high levels of fertiliser raw material prices were maintained and the falling exchange value of the £ added to the overall cost of purchasing raw materials.

Good results have been achieved by careful monitoring of energy usage throughout the group, the directors add. Plans are also being implemented to reduce the numbers employed.

Meeting, Edinburgh, March 26 at noon.

● comment

Net working capital requirements for Scottish Agricultural Industries increased by £4.4m. to £18.7m. at the end of December compared with a cash flow of £2.7m. resulting in short-term borrowings of £2.48m. against net cash of £119,000. The situation, however, seems to be a temporary one, due to the extra three months in the reporting period which took in two harvests for the grain trading side rather than one. The £2.7m. rise in debtors recorded at the end of December are claimed to be mostly those who normally defer payments until February and March, which would considerably reduce the overdraft in the current period. The shares at 210p yield 8.1 per cent. covered almost twice.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims—Ayer Hitam Tin Dredging, EMI, Glanfield Securities, R. Green Properties, Homfray, R. P. Martin, Mitchell Cotts Transport, Peters Stores, Prestwich Parker, Stocklake Holdings.

Finals—Barclays Bank, Blagden and Noakes, Bridgewater Estates, British Vita, Newey Group, Provident Financial.

FUTURE DATES

Interims—	
Armstrong Equipment	Mar. 9
Lucas Industries	Mar 25
Unochrome International	Mar. 9
Finals—	
Crossley Building Products	Mar. 15
Fairclough (Leonard)	Mar. 12
Frost and Reed	Mar. 9
Home Counties Newspapers	Mar. 22
Johnson (C. H.) and Sons	Mar. 15
Low and Bonar	Mar. 23
Morgan Crucible	Apr. 9
Pataling Rubber Estates	Mar. 15
Sangamo Weston	Mar. 15
Tiger Oats and National Milling	Mar. 5
Tomatin Distillers	Mar. 23
Wilkes (James)	Mar. 18

Assam Invs. to pay maximum

The directors of Assam Investments report that estimated net earnings from London sales are "significantly higher" than at this time last year, and the overall average price achieved in Calcutta has also been favourable.

In view of the lower crop which resulted from drought and hail on certain properties final proceeds may be slightly less than for the previous year, they say. Meanwhile expenditure has risen and therefore it may be that the profit for 1975 will not reach the 1974 figure—£802,851 after tax.

They anticipate that they will be able to recommend payment of the maximum Ordinary dividend permitted of 3.3033p per share (3.003p) per £1 share.

BLUNDELL-PERMOGLAZE

In the first four months of the current year, profits of Blundell-Permoglaze Holdings had "comfortably" exceeded the budget, chairman Mr. N. G. Bassett Smith told the annual meeting.

For the year ended October 31, 1975, profit fell from £1.02m. to £0.84m.

Setback for Black Arrow

Pre-tax profits of Black Arrow Group fell from £156,000 to £42,000 for the six months to September 30, 1975 and the directors warn that they are not expecting more than a break-even situation for the second half. Profit for the last full year amounted to £293,658.

Earnings per 50p share for the half-year are shown to have fallen to 0.3p (1.14p) and there is no interim dividend. Last year an interim of 0.67p net was followed by a final of 0.78p.

Turnover for six months totalled £2.207m. (£2.587m.), comprising electrical and office equipment distribution £1.62m. (£2.07m.), office contracting £205,000 (£116,000), and leasing £378,000 (£397,000). The directors say that the profit decline reflects the continuing deterioration of trading conditions, and the situation has not changed materially since September.

The liquid position remains healthy with no increase in borrowings during the period. The office contracting and leasing division continued to trade satisfactorily but the distribution sustained a loss. However, there are signs of improvement in office equipment orders, the effects of which should be felt in the first half of the next financial year.

There has been no corresponding improvement in electrical business.

The rationalisation programme of trading in electrical distribution continues and is expected to improve results during year to March 31, 1977.

Giddings and Lewis-Fraser

Turnover of Giddings and Lewis-Fraser increased from £5.22m. to £6.22m. in 1975, and pre-tax profit advanced from £402,000 to £498,000.

Earnings per share, pre-extraordinary credits, were 31.4p (26.6p).

	1975 £000	1974 £000
Turnover	6,222	5,221
Pre-tax profit	498	402
Taxation	22	—
Net profit	476	402
Extraordinary credits	55	237

The company, machine tool manufacturers, is 91.65 per cent. owner by Giddings and Lewis of the U.S., and the remainder by management, the Fraser family, a family trust, and a charity trust.

BIDS AND DEALS

Cavenham fills in details

Cavenham, the U.K. foods group headed by Mr. Jimmy Goldsmith, has confirmed details of a complicated series of deals with French associate companies which will result in control of the group passing to Générale Occidentale. At the same time Cavenham will be *gaining control of Générale* Alimentaire, a French food company, in which it already has a direct holding of 1.8m. shares.

To overcome exchange control problems, Générale Occidentale—which, together with its subsidiary Anglo-Continental Investment and Finance, holds 39.2 per cent. of Cavenham—will make an offer for the publicly held shares of *Générale Alimentaire on the basis* of 1 GO share for every 2 G.A. It is then intended that the G.A shares thus obtained *will be sold* to Cavenham in exchange for Cavenham shares.

Altogether the proposals should result in the issue of 20m. new Cavenham shares and GO, together with Anglo-Continental, will then hold over 50 per cent. of the Cavenham capital. GO is not intending to bid for any shares held outside the group.

The chief administrator of Générale Occidentale, Madame Gilberte Beaux, in an interview *in Paris, said that the consolidated* group turnover following consolidation of the new grouping would amount to FF16bn. and that *the* split would be around 80:20 between marketing and production.

See Lex

WHOLESALE FITTINGS

A discretionary trust holding 43.7 per cent. (1,597,300 shares) of *Wholesale Fittings, electrical* distributors, is to be dissolved for tax reasons, resulting in changes *in the holdings of family interests.*

Mr. D. S. Rose and Mr. L. H. Rose, the joint managing directors, together with their immediate family, will be taking *up their full allocation.* This will increase each of those two family *blocks by* 395,000 shares, bringing their holdings to 570,500 and 441,000 shares respectively.

Of the remaining shares—807,300—beneficiaries are to take up 122,300, but 685,000 have been placed in the hands of institutions. Thus the holdings of the *family interests will be reduced* from 45.7 per cent. to just over 26 per cent.

Hanson bids for Hygrade

Hanson Trust, through its subsidiary Hanson Industries Inc., has gone ahead with the tender offer of $30 per share for Hygrade Food Products, an American meat packaging and processing company in which it already holds *48 per cent. of the capital.* Hanson announced its intention to bid for the outstanding shares on *February 12.*

WENTGATE ENGINEERS

Negotiations have now been concluded by the Receiver, Mr. W. R. Cross, *for the transfer of the assets of Wentgate Engineers* to a private group under the leadership of Mr. P. M. Threlfall, who recently retired as managing director of Pye of Cambridge.

The new owners will continue the manufacture of the current range of electron beam welders and high vacuum furnaces. They are confident that there is a large potential for these products in *the world markets and they are* planning for expansion.

TCK AGENCY

TCK Group has finalised an *agreement* with Aida Engineering, a Japanese manufacturer of power presses, and Marubeni, a Japanese industrial and trading company, under which TCK will *be sole* distributor of Aida presses in the Middle East.

Govt. halts Inchcape

The Australian authorities have *stepped into the take-over battle* between Inchcape, the international trading group and Western Australian Worsted and Woollen Mills, which are both trying to gain control of Emu Wine, with an interim order preventing Inchcape proceeding with its bid *for a period of 90 days.*

The order has been made by the Australian Treasurer under the *Australian Foreign Takeovers Act,* 1975. There has been no restriction placed on the bid from Western Australian, which already holds 32.3 per cent. of the Emu equity.

Inchcape is now reported to be in consultation with the authorities in Canberra and is considering the position with its financial advisers. A further statement is expected *in the near future.*

NYLONIC INDS.

Nylonic Industries Ltd., the holding company formed by *Nylonic Engineering, has acquired* Design and Engineering Plastics. The new grouping adds D and EP's Letchworth and Bury St. Edmunds plastics manufacturing and supply centres to those of Nylonic Engineering at Rickmansworth and Brownhills.

Based on current orders and recent business trends, Nylonic Industries forecasts a group turn*over in engineering and other* plastics in excess of £1m. in the coming year.

GOODMAN BROS.

*Goodman Brothers and Stock*man has paid the final consideration of £20,000 for Cevinets, in cash and shares.

KCA ACCEPTS

Berry Wiggins' offer for the minority holding in its subsidiary, KCA *Drilling Group, has now* been accepted by more than 75 per cent. of the holders, owning in exces of 90 per cent. of those shares. Accordingly, Berry *Wiggins is to acquire compulsorily* the remaining shares.

J. D. WILSON ACQUIRED

International Systems and Controls Corporation, of the U.S. has acquired J. D. Wilson and Partners, consulting engineers based in Bristol.

Wilson has special experience and expertise in the design of food, meat, flour and feed processing plants, abattoirs, oil and cake mills and large-scale grain storage facilities. It will continue *to operates in its own name as* a wholly-owned ISC subsidiary and as a member of the ISC engineering group.

SHARE STAKES

J. H. Vavasseur Group has increased its interest in Mills and *Allen International to 7.23m* Ordinary shares (77.93 per cent.) by the purchase of 25,000.

Hilleshog Fro AB has bought 15,000 Miln Masters Group Ordi*nary and is now the beneficial* owner of 359,000 shares (25.4 per cent.).

C. Walker and Sons has acquired a further 150,000 *Ordinary of Brown and Tawse* bringing its total to 1.33m. shares (14.7 per cent.).

Tridant Group Printers has been notified there has been a grant *of a power of attorney to Chirit* Investment relating to 79,350 Tridant Ordinary shares and that there has been a *disposal* by Chirit of 2,740 shares. Chirit is currently interested in 877,945 (20.03 per cent.).

Pearl Assurance holds 593,000 Keystone Investment Ordinary (10.14 per cent.).

Monotype Corporation has increased its holding in Hawthorn Baker to 65,200 Ordinary (10 per cent.).

RESULTS AND ACCOUNTS IN BRIEF

BAMFORDS (agricultural machinery)—Results year to September 30 1975 and observations on prospects reported February 13. Group fixed assets £2.77m. (£2.7m.). *Net current assets* £1.59m. (£1.54m.). Fredk. H. Burgess holds 39.68 per cent. of capital. Meeting, Uttoxeter, March 26, noon.

BERADIN RUBBER ESTATES—Dividend 0.91875p (0.50771p) paid as interim in lieu of final. Sales for year to September 30, 1975 £377,672 (£394,420). Pre-tax profit £129,051 (£117,235). Tax £70,042 (£62,500), leaving £59,009 (£54,735). Earnings per 5p share 1.96p (1.84p).

BRITISH AUSTRALIAN INVESTMENT TRUST—Results for 1975, with net asset values, reported *February 20.* Quoted investments at market value £5.65m. (£3.42m.). About 13 per cent. of valuation of *portfolio comprises investments* in Japan, Hong Kong and major international trading companies registered in U.K. Resolution to change name to Drayton Far Eastern Trust will be submitted at AGM, at 117, Old Broad Street, March 25, at 12.15 p.m.

BULLOUGH (engineers)—Results for year ended October 31, 1975, reported January 29 with profit forecast. Fixed assets £4.04m. (£3.9m.). Net current assets £2.68m. (£2.06m.). Electra Investment Trust holds 10.34 per cent. of the Ordinary. Meeting, 20, Cannon St., E.C., March 24, 10.15 a.m.

FELIXSTOWE TANK DEVELOPMENTS—Group turnover for six months ended December 31, 1975, £257,160 (£484,167). Group profit £29,239 (£96,399), after all charges including tax of £39,200 (£55,000).

FORUM PROPERTIES—For the half year to September 30, 1975 Gross rental *income* £105,000 (£42,773). *Income from* quoted investments £1,116 (£1,272). Other income £1,850 (£11,783). Profit before taxation £48,762 (£26,997). Tax £25,357 (£14,039), leaving net profit of £23,405 (£12,958). Earnings per 10p share 0.39p (0.21p).

HARBOROUGH (F.M.S.) RUBBER ESTATE—Average price realised in six months ended December 31, 1975, 22.1p (19.1p) per kg. Net proceeds of sale of rubber crop (after deduction of export duty and research cess) £96,775 (£82,596). *Add replanting cesses refunded* £3,368 (£6,631). Less general charges, tapping, manufacture and upkeep of estate, including provisions for depreciation and directors' fees £48,182 (£48,977). Income from investments, loan interest received and sundry revenue £5,434 (£1,056), making profit £49,307 (£46,399). No provision made for tax. Expenditure £3,113 (£5,093) on replanting and upkeep of immature area debited to *estate account.*

SUNDERLAND AND SOUTH SHIELDS WATER CO.—Surplus for 1975 was £944,675 (£957,381). *Forward* £290,548 (£131,632). Fixed assets £19,030,149 (£17,297,355). Meeting Sunderland on March 22 at noon.

TRIBUNE INVESTMENT TRUST—Results, for 1975 with net asset values reported February 18. Investments £19.81m. (£10.56m.). Unrealised appreciation £12.73m. (£4.68m.). Chairman says outlook for 1976 is for higher investment income but under present trends, bank deposit interest likely to be reduced. On *balance he looks forward to higher earn*ings. Field Nominees holds 29.33 per cent. of equity share capital. Meeting, 86, Leadenhall Street, March 23, at 2.30 p.m.

MINING NEWS

Mining shares in retreat

BY KENNETH MARSTON, MINING EDITOR

SHADOWS over the prices of all African mining, and non-mining, investments lengthened yesterday following *the news* from Mozambique. For the most part there was virtually no recovery after a day of quite heavy *selling* but a little late buying interest from the U.S. produced a partial rally in De Beers which closed 5p down at 198p after 190p: the shares have *come back from* 335p in mid-January. The Gold Mines index lost 9.7 to 164, its lowest since *December 3, 1973.*

Wankie Colliery and Coronation Syndicate are among the very few mining companies with the bulk of their assets in Rhodesia. Rhodesian Corporation has sizeable interests there and so does Lonrho, although these form only *a small part of* the latter's overall assets. Messina draws the major part of its copper from Rhodesia, but has large *mining and* industrial interests in South Africa.

If one regards South-West Africa as also being vulnerable in the *present* political situation the field widens, but as far as the major mining groups are concerned their assets in that country are very small in relation to their overall interests, especially from an income-producing angle. The exception is De Beers which draws about one-third of its net profits from the Consolidated Diamond Mines' operation.

Selection Trust has a beneficial interest of 14.25 per cent. in the base-metal producing *Tsumeb but* the latter paid no dividend last year and it is of small significance when compared with the group's interests *in* North America and Australia. Rio Tinto-Zinc has the embryo Rossing uranium mine to consider but, here again, the group's assets are largely in other continents.

And on the subject of new mines the Johannesburg Consolidated group is close to reaching the production stage at *its* Otjihase copper mines in South-West Africa and the Shangani nickel property in Rhodesia. Finally, the bulk of the capital of South West *Africa Company* ("Swaco") is held by the Anglo American and Gold Fields groups but it represents only a tiny part of their total assets.

See page 7

GOLD HOLDINGS LOWER AGAIN

For the fifth week running, a further modest fall is reported in South Africa's gold holdings. Latest figures issued by the Reserve Bank show that in the *week ended February 27* the Republic's holdings fell by R0.7m. to R524.3m. indicating that around three-quarters of a tonne of metal was sold from reserves in addition to the week's mined output which is at around 14 tonnes.

Last month, krugerrand ounce gold coin sales 453,170 taking about 25 per of the Republic's output pared with sales of 193 around 11 per cent. in vious month. Although the coins increased in all most of the rise was attrib demand from West Germ

This demand has been lated by fears that the Government is considering posing a purchase tax on rands. Gold was $132 ounce in London yesterday

VESTGRON IN ITS STRIDE

As well as increasing and profits in 1975, the Cominco group's Vestgron has also enlarged its ore at the Black Angel lead-zinc in Greenland which was to production in Octob Net earnings for the lates come out at $15.83m. (£ $3.74 (£1.87) per share with $10.34m. or $2.44 from revenue of $50.54m $36.28m.

Improved sales couple higher zinc prices produ increased results. An ground drift to explore th Zone at the mine was co just before the year-end, tonnes of new ore were, says Mr. Owen E. Ow company's president.

At December 31, ore totalled 3.99m. tonnes as per cent. lead, 14.1 per ce and 25 *grams of silver* pe What is described as a p mineralised area has been *30 miles from the* m further exploration is plan this year. Cominco has a cent. interest in Vestgron; Northgate group holds cent.

ROUND-UP

Canada's gold producin Mines reports net earn *1975 of $19.41m.* (£9.6 $3.32 (£1.66) per share c with $20.98m. or $3.59 a s the previous year.

* *

Thanks to earnings by more than seven $19.87m. (£9.92m.) at its River coal division, C McIntyre Mines has tur net *consolidated* earnin 1975 of $17.54m. (£8.76 $7.40 (£3.69) per share $12.32m. or $5.20 per sh the previous year. Marke of investments at the was $56.52m. (£28.23m.) o per share compared with end-1974.

Paris Bourse preparing for a global role

BY RUPERT CORNWELL

PARIS, March 3.

PLANS FOR a streamlined Paris Bourse, boasting a partly computerised dealing network, lengthened trading hours and a simplified system of quotations were put forward to-day by the new President of the Stockbrokers Association here, M. Yves Flornoy.

M. Flornoy went out of his way to describe the proposals as "evolution rather than revolution," and warned of the difficulties ahead. Even if things went through as fast as possibly conceivable, the new arrangements could not be operating before 1978.

Nonetheless, the blueprint he set out before the Press this morning would amount to the most fundamental overhaul the market has seen in decades. Far more than the schemes put forward in the past by the Finance Ministry, its adoption would pave the way for Paris to become a genuine international competitor to New York and the London Stock Exchange.

A Bourse historically tailored to the traditional small investor and speculator would become flexible and geared to the needs of the institutions which dominate trading here as elsewhere.

At present, shares in Paris can be quoted on either a cash or a forward basis; while their daily price can be settled in any of four different ways. This, M. Flornoy argued, "makes share dealing a costly business and the computerisation of the market practically impossible.

Instead the Bourse would be converted either to a forward system, as in London, for equities or to an essentially cash market as New York.

No consensus has yet emerged, but the balance of opinion appears to lean to the cash market answer.

Meanwhile the trading period of the Bourse itself would be lengthened from the present two-hour span of 12.30 p.m. to 2.30 p.m. to something closer to the five or six-hour session operating for both the U.K. and U.S. markets.

Not least of the advantages here would be to allow for some significant price movements in mid-session. Under the present arrangements, most of the day's trading is done when the opening price is set under the "a la criée" system beloved of Paris.

The centrepiece, however, of M. Flornoy's scheme is for the computerisation of trading, analogous to but not necessarily inspired by Ariel and other systems which operate in London, and those covering Wall Street.

Rather than the introduction of either a category of "jibbers" or specialists on to the Bourse, it was the scope offered to outside operators by computerisation which would widen the market, extend after-hours trading, and enable large lines of stock to be absorbed, or big buying orders met.

Hong Kong commission calls for views on exchange merger

HONG KONG, March 3.

THE SECURITIES Commission has requested by the end of this month the views of the four Hong Kong exchanges on its discussion paper concerning their possible merger, a commission spokesman said.

If the replies are unfavourable, the exchanges would probably be asked to make their own proposals on the subject within a further month, he said.

Last month, Hong Kong stock exchange and Kowloon stock exchange meetings turned down the Commission's suggestions for liquidating the four exchanges and replacing them by a single one.

Far East exchange deputy chairman Kenneth Wong told Reuters the exchange has tentatively fixed March 22 for an open discussion by members on the merger question.

A Kam Ngan stock exchange spokesman said the exchange is still considering how to deal with the subject. Spokesmen for both exchanges said members would probably be in favour, in principle, of merging the exchanges but the method of achieving this posed many technical problems.

The viewpoints of the four exchanges will be conveyed to the Securities Commission by the Federation of Stock Exchanges. The Commission originally asked for this to be done by the end of February.

Many brokers consider merging the Stock Exchanges could be beneficial but the need for this step seems less urgent now Stock Market activity has boomed and brokers' profits have increased, broking sources said.

The main objection to the Commission's suggested plan of action concerns a proposal that the number of brokers might be reduced by allowing the 500 largest by turnover to bid for perhaps 300 seats on a new single exchange, they said.

Kan Ngan Stock Exchange chairman Woo Hon-Fai told Reuters the number of brokers could be cut to around half the present total of nearly 1,000 without the need for a tender for seats.

Reuter

Shipbuilders moot capacity cuts

BONN, March 3.

LEADING European shipbuilders have been talking about making voluntary cuts in capacity to meet the industry's present crisis, Herr Norbert Henke, chairman of Howaldtswerke-Deutsche Werft (HDW), has stated.

Interviewed by the daily newspaper Die Welt, he said his own company was considering cutting its capacity by 25 per cent. to 30 per cent. on the cargo vessel side, once the present building programme was over.

He forecast that the shipping industry would probably not recover until the end of the decade.

Herr Henke did not say who was involved in the talks nor how far they had progressed, explaining it was a loose grouping formed with that one aim.

He added, however: "It is, of course, very unlikely that voluntary agreements over worldwide capacity reductions will come about."

The Hamburg-based HDW, a subsidiary of the State-owned Salzgitter, has enough orders on hand to keep its three plants occupied on average through to autumn 1977, he said.

Herr Henke said HDW was fortunate because, unlike some German companies, only half of its total production comprised cargo vessels.

Once the market picked up again, Herr Henke said he expected increased demand for medium-sized vessels. Some types of gas tankers could also become interesting. It would be wrong though to assume more orders for large oil tankers in the next few years.

Reuter

Refinery goes into moth balls

By Robert Gibbens

MONTREAL, March 3.

THE $250m. Come By-Chance oil refinery in Newfoundland is being shut down. The process of mothballing began on Monday, Clarkson Company, the receiver, said in a phone interview in St. John's.

Mothballing will take three months. On Monday, the operators of the refinery, Newfoundland Refining and Provincial Refining, both subsidiaries of Shaheen Natural Resources, New York, posted a notice telling 484 workers on the refinery payroll that their services will not be required after March 15. Clarkson said that about 150 workers will be required for the mothballing job and that after August only 35 would be employed permanently at the refinery.

Clarkson was appointed interim receiver by the court in St. John's on February 13 after a petition for a receiving order was made by the Japanese Ataka group, which through its New York affiliated Atlantic Trading Company, is a secured creditor for $30m. (on the inventory) and an unsecured creditor for over $200m. for crude oil. It acted as agent in the crude supply—British Petroleum shipped the crude and was paid by Ataka.

Later the first and second mortgage holders—the British Export Credits Guarantee Department and the Newfoundland government, seized the refinery assets and appointed Clarkson as receiver. Clarkson has engaged British Petroleum to supervise the shutdown and mothballing and both BP Canada and BP U.K. personnel are now at the site.

The court hearing on the original petition for a receiving order by the Ataka group comes up March 8 in St. John's. The ECGD holds a $109m. first mortgage and the Newfoundland Government a $41m. second mortgage. The receiver stated that he remains open to any bona-fide inquiry for information about the refinery from any potential buyer. However, neither the Newfoundland Government nor industry sources expect a buyer to come forward, because of low product prices and amounts to be spent to rebuild the hydrogen unit. The refinery came on stream in 1974 but has been having technical troubles, besides the problem of selling its fuel oil and gasoline in a glutted market.

The Shaheen group is still fighting to keep ownership through the two Canadian subsidiaries and has filed a suit in New York attacking the Japanese group's request for a receiving order in St. John's as in the wrong jurisdiction and accusing Ataka of failing to live up to signed agreements covering oil-industry ventures in several parts of the world.

There seems little hope of keeping the refinery operating and mothballing is expected to be completed.

Litigation over ownership and debts is expected to be lengthy.

KONE OY

Expanding to survive

BY WILLIAM DULLFORCE, NORDIC CORRESPONDENT

STOCKHOLM, March 3.

KONE OY the Finnish lift manufacturer, passed the FM1bn. (£130m.) turnover mark last year, doubling sales in a single year. Contributing to this growth were Société Française des Ascenseurs Westinghouse and Westinghouse Electric S.A. of Belgium, the U.S. Corporation's lift operations in Europe, in both of which Kone took a controlling interest at the end of 1974.

Third place

Kone's recent development has been remarkable with turnover nearly trebling from 1973 to 1975. It is the story of a small family company from a small country determined to survive in a highly competitive business at a time when other nationally based concerns were folding up. To-day Kone is third only to the American Otis Corporation and the Swiss Schindler Company in the European lift business with over 60 per cent. of its sales going to the EEC and EFTA blocs.

Mr. Pekka Herlin, the managing director and son of chairman Heikki Herlin, says that a company analysis in the late '60s showed that Kone would not be able to afford the required product development, keeping pace with new sophisticated control systems, if it stuck to the Finnish and Scandinavian markets. It acted on this conclusion.

Like many Finnish companies Kone had its first experience of foreign business after the war on the Soviet market and sales to the Comecon bloc still make up some 9 per cent. of the total. But in the late '60s Kone took over the lift operations of the Swedish multinational ASEA obtaining a production monopoly in the Nordic countries.

Moving on to the Continent, it took over the Sowitsch Company in Austria, Havemeier and Sander in West Germany and a minority interest in the Spanish Eguren-Kone company, now expanded into majority control. In 1974 it bought Whitbread Lifts, a British servicing company. Finally, Westinghouse's French and Belgian companies were acquired in a stock for stock deal, which left Westinghouse with 18 per cent. of the Kone share capital and 7 per cent. of the voting rights.

Kone has also diversified into the materials handling business, which has become the concern's fastest growing division, accounting for some 25 per cent. of turnover last year. Appropriately for a Finnish company it has specialised in wood-handling equipment, developing automatic log conveyor and grinder feeding systems, which have been selling successfully in Canada and the Soviet Union as well as in Scandinavia and Europe. Mr. Herlin, pointing to the European pulp and paper industry's need for rationalisation and modernisation, sees wood-handling as a distinct growth area for Kone.

The materials handling division has developed other bulk handling equipment, including cranes and electric hoists. Last month it won a big loading equipment order for LASH vessels being built by Valmet. The division has also participated in the concern's takeovers, acquiring the Norwegian Wisbech Refsum company, which specialises in jib cranes, in 1973.

Kone's 1975 profit figures, released to-day, are not exceptional but the process of digesting the new acquisitions has scarcely begun. Pre-tax earnings for 1975 were FM46.5m. (£6m.) on the FM1bn. turnover compared with FM37.9m. on sales of FM526m. the previous year. Taxes, however, are low at FM5m. and the parent company shows earnings of FM6.9m., out of which the Board proposes to pay maintained dividends of FM4 per "A" share and FM5.50 per "B" share on the increased share capital.

The equity was raised last year from FM20.5m to FM61.9m. by bonus and rights issues as well as the stock issue to Westinghouse. Majority control is still held by the Herlin family and its associated companies, although Kone has some 1,000 shareholders. The price of the nominal FM 50 stock on the Helsinki exchange in recent days has been FM160-168.

Borrowings

Kone has been able to expand without substantially increasing its borrowings, although last year the long-term debt rose from FM136m. to FM274m. and net interest charges from FM4.7m. to FM24.9m because of the consolidation of the balance sheet after the Westinghouse takeovers. Ordinary investments declined from FM75.9m. to FM64m. but total capital expenditure was FM127m., if the Westinghouse acquisitions are included.

The French Westinghouse company contributed FM345m. to total turnover in 1975 but continued to operate at a loss, while the Belgian company showed a profit despite a drop in sales from FM94m. to FM74m. Mr. Herlin anticipates that the French company will break even this year, despite a continuing weakness on the European lift market. Long-term plans for this company include the introduction of escalator manufacture with new models coming into production in 1977.

Kone's target for 1976 is a 20 per cent. increase in sales and an even better improvement in earnings, as rationalisation and consolidation of the newly acquired companies takes effect. Orders in hand at the turn of the year were worth just over FM1bn. but this figure does not include the sales of spares and servicing, which account for over 40 per cent. of turnover.

Moreover, although consolidation is the keynote for 1976, the Finnish concern's appetite for expansion is not sated. Last year it started joint venture operations in Mexico, Venezuela and the Philippines, and has opened sales offices in the Middle East, Far East and Africa.

French companies granted tax aid

PARIS, March 3.

FRENCH companies have to pay only half their tax instalment due from February 20 with the other half now due on December 15, the government spokesman Andre Rossi has stated.

He told a Press conference that this is to encourage companies to take on workers.

If the instalment has been paid companies can reclaim half, he added.

A draft bill adopted by the cabinet to ratify the government order says individuals who operate commercial or industrial concerns can delay paying half their outstanding income tax from April 15 until December 15, 1976, M. Rossi added.

He explained that the government intends to ensure economic recovery is accompanied by the creation of new jobs.

Reuter

Bank Leumi continues its expansion

FINANCIAL TIMES REPORTER

BANK LEUMI le-Israel, the oldest and largest banking group in Israel, has continued its expansion during 1975 and further strengthened its predominant position in Israel's banking system.

Total consolidated assets of the group more than trebled during the last three years (1972-1975) and reached I£56bn. (£3.9bn.), an increase of 37 per cent. on the previous year. Consolidated balance sheet figures include only banking subsidiaries (provident funds, unit trusts, insurance companies, etc. are all excluded). Noteworthy group figures are: total consolidated assets, I£56.1bn (£3.9bn), an increase of 37 per cent.; total depots, I£40.8bn (£2.8bn.), an increase of 36 per cent.; total loans, I£31.0bn. (£2.2bn.), an increase of 49 per cent.; and capital funds, I£1.7bn (£120m.)

The increase in capital funds includes a capital notes and rights issue of I£309m. (£21.6m.), the largest issue ever recorded on the Tel-Aviv stock exchange.

Operating profits before taxation were I£571m. (£40m.), an increase of 43 per cent. Net profits rose by 28 per cent. to I£182m. (£12.7m.).

Deposits from the public in domestic and foreign currency constitute together nearly one-half of the total consolidated assets. These deposits are the base of the group's credit business and the strength behind its wide-ranging and diversified banking activities. Of the deposits from the Israeli public with the banking system, the group's share is almost 50 per cent.

Bank Leumi continued to account for an appreciable proportion of the Israeli public's foreign currency deposits with banks and approximately one-half of the non-resident foreign currency deposits.

Total loans (including deposits with the Treasury) increased to IL.31.0bn (£2.2bn.), an increase of 49 per cent. The Bank Leumi Group in Israel is responsible for some 40 per cent of total bank credit to the public, taking a similar share in the directed credit funds. The bank made a particularly large contribution towards the financing of export industries.

The international business of the group continued to expand and develop. Five offices were added during the year to the group's overseas banking network in New York, Chicago, Los Angeles, London and Milan. The international organisation now numbers 31 offices: The 14 branches of four banking subsidiaries, two overseas branches of the bank itself and 15 other extensions — representative offices, finance companies and the like.

The total number of branches and offices of the group, in Israel and abroad, is 338 (an addition of 22). The number of branches of the group in Israel is 307 including 45 branches situated in the Arab and Druze towns and villages.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer	CONVERTIBLES	Bid	Offer
Aquitaine 10pc 1985	103	104	American Express 4¼pc '87	84	86
Ashland 8pc 1987	94½	95½	Ashland 5pc 1988	81	83
Austrasvias 9pc 1987	93	94	Beatrice Foods 4½pc 1992	95	97
Borregaard 8½pc 1989	96½	97½	Beatrice Foods 4¼pc 1992	100	102
Broken Hill 10pc 1990	104½	105½	Borden 5pc 1992	95½	97½
Carrier 8pc 1987	93	94	Broadway Hale 4½pc 1987	76	78
Conoco 8pc 1984	99	100	Cannon Camera 7½pc 1989	114	116
Consol. Foods 7¾pc 1991	91	92	Carnation 4pc 1987	81	83
Cutler Hammer 9pc 1987	94½	95½	Chevron 5pc 1988	101	103
EIB 9¼pc 1985	103½	104½	Dart 4¾pc 1987	89½	91½
ERAP 9¼pc 1985	103½	104½	Eastman Kodak 4½pc 1988	119	121
Esso 8pc 1986 Nov.	100½	101½	Economic Labs. 4½pc 1987	82	84
General Cable 8½pc 1987	90½	91½	Fed. Dep. Stores 4½pc 1985	126	128
General Motors 8¼pc 1986	103½	104½	Firestone 5pc 1988	95	97
Gränges 9½pc 1985	100½	101½	Ford 6pc 1986	97	99
GTE 8½pc 1986	99½	100½	Ford 5pc 1988	88	90
New Zealand 9½pc 1982	103½	104½	General Electric 4¼pc 1987	87	89
Pacific Light 8pc 1988	94½	95½	Gillette 4¾pc 1987	82	84
Prov. of Quebec 7½pc 1988	91	92	Gould 5pc 1987	89	91
Quebec Hydro 8½pc 1989	98½	99½	Gulf and Western 5pc 1988	104	106
Queensland 8½pc 1987	93½	94½	Harris 5pc 1992	84	86
Scanraff 8½pc 1988	99	100	Honeywell 6pc 1986	83½	85½
Shell 8pc 1986	100	101	ITT 4½pc 1987	75	77
Stand. Oil (Ind.) 8½pc '98	101	102	Komatsu 7½pc 1990	103	104½
Tenneco 7¾pc 1987	90	91	J. Ray McDermott 4¾pc '87	124	126
Transocean 8pc 1986	99½	100½	Mitsubishi Elec 7½pc 1991	104	105½
Utah 8pc 1987	95	96	Mitsui 7¼pc 1990	102	104½
Volvo 9½pc 1985	100	101	J. P. Morgan 4¼pc 1987	110	112
NOTES			Nabisco 5½pc 1988	92	94
Air France 9¼pc 1982	102½	103½	Owens Illinois 4½pc 1987	100	102
Ardal 9½pc 1980	103½	104½	J. C. Penney 4½pc 1987	81	83
Aust. Ind. Dev. 10½pc 1981	104	105	Pioneer 6½pc 1989	225	227
Barclays 9½pc 1982	101	102	Reynolds Metals 5pc 1988	88	90
Cie. Nat. du Rhon 10pc '82	104	105	Revlon 4¾pc 1987	101	103
Du Pont 7¾pc 1978	101	102	Sperry Rand 4¼pc 1987	100	102
Esso 7½pc 1979	101	102	Squibb 4½pc 1987	81½	83½
General Motors 8½pc 1978	100	101	Texaco 4¾pc 1988	76	78
Montreal 9¾pc 1981	102	103	Toshiba 6½pc 1990	103	104½
Nippon Steel 9½pc 1980	102	103	Union Carbide 4¾pc 1982	121½	123½
Norway 9pc 1980	103½	104½	Warner Lambert 4½pc 1987	93	95
Skand Enskilda 10½pc 1981	103½	104½	Warner Lambert 4¼pc 1988	83½	85½
			Xerox 5pc 1988	77½	79½

Source: White Weld Securities. Source: Kidder, Peabody Securities

Jacques Borel dividend up

Jacques Borel International has declared a total 1975 dividend of Frs.9 (Frs.8.25) on capital raised by 20 per cent.

This gives an increase in the total dividend payment to Frs.7.4m. (Frs.5.7m.), a rise of more than 30 per cent., the company said.

Net consolidated profits were Frs.20.1m. (Frs.16.2m.) on a group pre-tax turnover of Frs.1bn. (Frs.797m.). Group operating profits emerged at Frs.40.1m. (Frs.32.7m.).

Net consolidated profits per share totalled Frs.16.3 (Frs.15.8) on capital raised by 20 per cent. to 1,233,785 shares. This excludes shares issued in the bid for Sofitel, which brought capital to 1,434,040 shares, but which do not rank for the 1975 dividend. On current share capital, net profits per share were Frs.14.05.

Reuter

Tooheys follows the uptrend ...

BY JAMES FORTH

SYDNEY, March 3.

TOOHEYS, the New South Wales brewer, lifted profit by 10 per cent. from $A2.8m. to $A3.1m. in the December half year. Tooheys is the third major brewery to report an improvement for the period. Australia's largest brewer, Carlton and United Brweeries, boosted earnings by 10 per cent. to $A7m., despite a crippling strike in the summer. The strike assisted C and UB's competitor, Courage Breweries, to convert a $A338,000 loss into a $A448,000 profit for the half year.

Toohey's gross revenue rose by 21.1 per cent. to $A105m., reflecting price increases granted by the prices justification tribunal.

It would also reflect the group's ability to take up the slack caused in the growth of beer sales because of large increases in excise in the federal budget. The excise increase made wine more attractive and Tooheys has a strong foothold in the wine market through its Wynns and Seaview offshoots.

The interim dividend is held at 3.5 cents a share, in line with the 7 cents a share paid last year.

Elder improves ...

ELDER SMITH Goldsbrough Mort, Australia's largest pastoralist and wool broker, increased earnings by 5.6 per cent. to $A2.9m. in the December half year, writes James Forth. Sales rose by 6.2 per cent. to $A58m. The interim dividend is held at 4 cents a share.

The directors said that wool prices were slightly higher for the period and a number of other divisions, including steel and metals and industrial merchandise, improved. But although more sheep and cattle were sold, reduced prices resulted in lower agency commissions.

and Boral digests

BORAL, the building and construction materials group, lifted its profits by 17 per cent. from $A4.1m. to $A4.9m. in the December half year, James Forth writes. The results include part of the earnings of Cyclone Company of Australia, and former associates Boral basic Industries and Glen Iris Brick Consolidated, which were all acquired during the period.

Group sales jumped from $A69m to $A124m. mainly reflecting a $ A35m. contribution from Cyclone.

The interim dividend is held at 6.35 cents a share, in line with the annual 12.5 cents rate.

Profits for January and February are slightly ahead of budget and a satisfactory result is expected for the full year.

Bache upsurge

SECOND quarter (to January 31) earnings of the Bache group rose from 14 to 62 cents per share.

Net income was $4.45m. ($1.05m.) from revenues of $62.5m. ($47.9m.).

First half net was $4.59m. or 64 cents ($1.45m or 20 cents; revenues were $112.7m. ($94.5m.).

Results for the quarter and six months ended January 31 include a tax reduction of $560,000 for the reversal of tax reserves provided in prior years.

Total capital as of January 31 amounted to $124.3m. which included stockholders' equity of $108m., a record high, and subordinated debt of $16.3m.

Improving Canon trend

TOKYO, March 3.

After-tax profits for Canon were Y991m. for the six months to December 31. There was a deficit of Y172m. in the preceding six months, and a Y323m. profit in the last six months of 1974. Gross sales were Y41.3bn. (Y33.8bn., Y36.0bn.) and the dividend payout is Y2.50 (nil, Y2.50).

A Canon spokesman said the company expects a net profit of Y1.3bn. in the first half of the current year on gross sales Y45bn. with increased export sales to Y28.3bn.

Capital expenditure will amount to Y10bn. this year, double last year's Y5bn., to expand production facilities to meet reviving demand.

The spokesman noted that second half gross sales rose 22.1 per cent. particularly aided by a good export performance. Export sales rose 36 per cent. to Y24.4bn. he said.

Reuter

BOOKS

Power of Pitt

BY C. P. SNOW

The Elder Pitt by Stanley Ayling. Collins, £6.50. 478 pages

Lord Blake's recent list of the great Prime Ministers has raised some diverting thoughts. The list is Walpole, both Pitts, Peel, Gladstone, Lloyd George, Churchill. One of the diverting thoughts was—which of those characters would have passed Civil Service examinations? That examination, which is based on War Office selection methods in the last war, is very good at eliminating the unstable or inept, who might have succeeded on written papers. It is also, some suspect, prone to eliminate the gifted oddities.

Walpole would have passed, though viewed with some suspicion. Lloyd George would have passed higher, viewed with *even more suspicion*. Peel and Gladstone would have walked through, Peel an almost perfect candidate. Churchill would have been ruled out quite early—doubts about both ability and *temperament. The younger Pitt* would have been a borderline case. The elder Pitt—totally unsuitable for official employment.

The curious thing is that, *according to their own criteria*, the examiners would have been right. Pitt had what we now call charisma. He had profound insights, intense self-confidence and passionate drive. He was by far the most imaginative and successful War Minister this country has ever had or ever will have. He was also periodically more than a little deranged.

The genes had a knack of going wrong right through generations of the Pitt family. Pitt's grandfather, the "Governor," made a great fortune and exhibited a streak of ferocious mania. Pitt's sister Ann, for years his closest human contact (the 18th century being less inhibited than ours, he wrote her charming love letters), was more deranged than he was, but in a similar fashion, and appears to have ended her life clinically insane. His granddaughter, Hester Stanhope, was not a model of mental normality.

His contemporaries were continually baffled by him. They realised that he had fits of some mysterious malady but they weren't as accustomed to psychological *diagnosis* as we are. They decided that he had gout. Gout was an all-purpose term for almost any conceivable ailment. There was "regular" gout, which everyone understood, and which Pitt sometimes suffered from, imbibing large quantities of spa waters in consequence. There was gout in the bowels. There was gout in the stomach. Pitt's condition was described as gout in the head.

As J. H. Plumb pointed out, very amusingly, some time ago, Pitt was a manic-depressive, at times close to the psychotic edge. But *there are many* kinds of manic-depressive syndrome, and Pitt's seemed to have been an unusual one. Apart from outbursts of superbity and grandiose arrogance, his manic *phases were* under control, and in them, despite excessive haughtiness and chill (unusual in such a temperament), he exuded not only command but also a charm which his followers couldn't resist. Some could resist it very easily. Neither George II nor George III could bear the sight of him, in George II's case quite literally, so that Pitt had to be kept out of the *presence*.

In his psychotic fugues, the depressive phase was far more overwhelming than the manic ever was. He relapsed into stupor. He couldn't write a letter or read Government papers. He wouldn't see any of his colleagues. He could barely talk, except to his wife, whom he dearly loved. He had married in his late 40s and though he had no friends at all, just temporary allies (not unusual for a politician), he enjoyed singularly tranquil happiness with wife and children.

Those periods of utter surrender to depression went on for months, and in one attack for years. It was a paralysis of the psyche. In a leader of the government, it was distinctly inconvenient for his ministers or for a surprisingly patient George III.

Yet, with all that hanging over him, he was the greatest of War Ministers. He had a politician's moral certainty that he was always right. He knew that he was above reproach when he was behaving with maximum unscrupulousness. After all, he wanted nothing but supreme power. But, in his great days in the Seven Years' War, and particularly in his wonderful year 1759, he used the power with a remarkable blend of competence and imagination. He really had a vision — far more realistic than Churchill's in a comparable situation — of what could be done by military forces. He was as *realistic* as *Lloyd* George in the First World War, but had much more power and was capable of dictating strategy. He had economic as well as strategic insight. He knew, as *no one else did, that England*, with much less than half the population of France, could nevertheless win a war against France because the national income was larger. He said it *as hard and simply as that. This* was England's chance to become the greatest of powers. That, for a time, he achieved.

He seems to have been a very good picker of military advisers. His naval aides, Anson and others, were excellent professionals, and the soldier Ligonier (from a Huguenot refugee family) may have been better than that Ligonier deserves more recognition than he has had. He *served as chief military adviser until the age of 86 and then was* bitterly disappointed at being made to retire, even with an Earldom.

Mr. Stanley Ayling appears to have turned to historical biography fairly late in life, after a good many years as a teacher. It is our loss that he did not begin writing earlier. His George III deserved all the praise which it received. This life of the elder Pitt is at least as good. It is witty, wise, and experienced. Mr. Ayling is neither over-indulgent nor censorious. This is how these men were, he says, take them or leave them, and he makes us share his enjoyment.

The Earl of Chatham in 1772, after Richard Brompton—from the book reviewed to-day

Fiction

Defecting wisely

BY ISABEL QUIGLY

Wilt by Tom Sharpe. Secker and Warburg, £3.50. 211 pages

The Big Nickel by Calder Willingham. Hart-Davis, MacGibbon, £3.95. 286 pages

A Hero In His Time by Arthur A. Cohen. Secker and Warburg, £3.50. 278 pages

Wilfred and Eileen by Jonathan Smith. Hutchinson, £3.75. 179 pages

The Private Life of Mona Lisa by Pierre La Mure. Collins, £3.95. 411 pages

The hero of *Wilt* is Assistant Lecturer (Grade Two) in the *Liberal Arts Studies* department of the Fenland College of Arts and Technology, and takes day-release classes of apprentices once a week through *Lord of the Flies, Sons and Lovers*, Orwell's *Essays and Candide*.

When one-hour lectures on Problems of Contemporary Society are handed out at random to the staff (Communications and Participatory Democracy, *The New Brutalism* in Architecture, its Origins and Social Attributes), Wilt gets Violence and the Break-Up of Family Life, which sets him thinking and making notes. And when his *wife, the noisy* Eva, disappears, and a body is thought to be down a 30-foot shaft sealed in concrete, and the police find his notes in a bicycle basket nearby, it doesn't help when, under section 2(c), *they find: "Low level of intelligence* of average policeman." Inspector Flint, CID, becomes hysterically *persuaded* of his guilt.

This sort of thing may or may not *be funny—the plots of* comedies, like all plots, are neutral—but Tom Sharpe is one of the funniest things that has happened to fiction recently and readers of *Porterhouse Blue* and his other two novels will know what to expect: comedy based strictly on everyday life (*particularly* good on the dingier by-ways of the academic world), amazing happenings in the most banal of circumstances, piling up into climaxes of wild invention; speakable, hearable dialogue, funny because credible, not because of wisecracks; and, in this case, a feeling though sidelong look at human motives and morals, a position taken against intellectual pretentiousness and sexual trendies.

Opening *The Big Nickel* at random may make you think the printers have bound two volumes up in one. Understandably, since there are two books in alternating chapters. One, the real-life story of New Yorker Dick Davenport, who has written a successful novel and is stuck with the second. Two, his *fantasies*. These involve a six-foot-four blonde of sizzling sexiness and a six-foot-seven Negro who plans to rule the world. Real life involves possible adultery with mean-minded five-foot-two Pauline and relations with medium-sized Naomi, whom Dick married almost absent-mindedly and has never quite seen as the treasure she undoubtedly is. Novel two ends with a hatpin stuck into the black giant's brain by the blonde giantess. Novel one with hope and acceptance of a sort.

The writing is ebullient, stylish, racy and often witty. *Wildness* is all in the fantasies, the other story is full of quiet, well-savoured things — like the literary friend who can't write and brings Dick a dreadful sample for *criticism, meaning praise: Dick's appalled* reaction, inability to speak out, stumbling praise of a word or two here and *there*. Or the scenes with Dick and Naomi's baby whose "baby radar" tells him all he needs to know about love, warmth amusement. Two sorts humour, two sorts of book, sides of another true c talent.

A Hero In His Time is bi as "a stingingly comic s but to me there's little co in this story of a middle Jewish poet and editor journal on folk-music, sent Moscow to New York f congress, and the question: he or won't he defect? It i obvious for him to do so: has no family at home, probably be arrested whe returns, knows what involves, knows in pain that his frail talent can v as if it had never existed by his being left out of and consideration, since n will bother to keep his (like Mandelstam's, say) for the joy of it.

He speaks good English, support himself, has met who urges him to stay; abov as a Jew he is felt to be "half Russian," a susp character to the authorit spite of baptism into the dox church years ago and kept carefully low ever. To pass some sort of me they give him a poem that his to read aloud at the gress, and the girl who him likes it best of them I won't give the ending; it you on edge till the end.

Wilfred and Eileen is a novel set in the First War, recapturing its spirit such curious conviction t almost felt, at times, I had across some lost docume the time. Wilfred meets E at a Cambridge May Ba 1913; they marry while he medical student at a L hospital: he goes to the is badly wounded, survive settles to an invalid life country. Very attractive quiet, compelling way, it gests (since he was born in the last war) a writer st in memories of the earlie at one remove.

The Private Life of Mona is a blockbuster by the a of such big sellers as *M Rouge* (Toulouse Lautrec) *yond Desire* (Mendelssohn, *Claire de Lune* (Debussy). fully researched, no doubt of footnotes and a long b graphy), a member of "Hiya, Leonardo" schoo historical fiction, it takes mystery, with flatfooted res out of a mysterious face, ar quiet simply, impossible to in the terms used for an the other books to-day.

Straight left

BY TREVOR BAILEY

Predictably entitled, The Greatest (Hart-Davis, MacGibbon, £3.95, 413 pages) is the autobiography of the most publicised, and probably the finest heavyweight of all time. It makes a *fascinating and remarkable book* for two reasons. First, Muhammad Ali has led an exciting, flamboyant, successful and controversial life and, secondly because the erudite Richard Durham, who has long been one of the Champion's camp followers, and devoted admirers has been very largely responsible for the considerable style in the actual writing.

The outcome is the tremendous story of how a boy from the black, back streets of Louisville became in a few short years the best known man in the world *and the idol of millions*. His rise to the top was due primarily to his superb skill as a boxer and complete dedication, but was also assisted by his calculated braggadocio, which was pounced upon with relish by the media. It was a tough climb, via an Olympic Gold Medal, which he came to despise, and then, having won the supreme accolade, had to regain it later though he never lost it in the ring.

Ali explains just what the title meant to him and how eventually governments, instead of individuals and corporations have sponsored his major fights. He discusses other leading fighters, sometimes with compassion both as individuals and as opponents and, somewhat surprisingly is especially good on the loneliness of defeat, something he seldom experienced.

However, this is much more than another tale about boxing, and contains no photographs. In many respects the most interesting sections are Ali's views on the existing system and his many *clashes with the white-dominated* establishment. This includes his long drawn-out battle in the courts, after he had refused to be drafted. His justification for this stand, which made him hated by so many people in the United States and prevented him from boxing for three years, is handled with the same skill as was shown by the army of lawyers who eventually secured his acquittal.

The many examples of negro exploitation which he quotes *would carry even more conviction*, if Ali was not so patently blinkered by the same type of prejudice he condemns. As a result of his naivety on ethnic matters, both recent and historical, the reader is left wondering whether his conversion to Mohammadism, which brought about the break-up of his first marriage was in no small way due to his inability to accept a God with a white skin; but there is no disguising that this sympathetic biography will be thoroughly enjoyed by those who know little about boxing; in fact, *fight fans may find the symbolism* rather too heavy. On the other hand they will revel in the sweat of the training camp and the blood of the ring which are brilliantly conveyed. A sporting book and also *an experience*.

Chin up, old thing

BY HILARY SPURLING

You're a Brick, Angela! A new look at Girls' Fiction from 1839-1975 by Mary Cadogan and Patricia Craig. Gollancz, £6.50. 400 pages

Nostalgia, however low-grade, has impeccable literary credentials as an intoxicant, and one could hardly ask a purer dose than *You're a Brick, Angela!* This is heady stuff ("'Oh, chin up—chin up!' Jemima muttered fiercely. 'Chest out, old thing! Remember the bulldog spirit'") for anyone who spent her youth browsing in its lush, if not exactly nourishing pastures. Mary Cadogan and Patricia Craig take a stern line with the cute, *the coy, the disingenuous, but for* all their attempts to impose a social and historical perspective, one suspects that their chief appeal will be for former addicts.

They provide a magic key back *to that wild, heroic, jumbled* timeless world in which one could simultaneously shed tears for put-upon Victorian infants orphaned, crippled, blinded, dead; be stirred to the core by the tremendous exploits of the Fourth Form Gang up to no good on the roof after lights out; and thrill to the hectic wartime feats of Worralls ("I'll shoot you, you scum. I've killed far better men than you") of the WAAF. All these were ancient history by the time I learnt to read but I don't recall resenting, or even noticing, the subservient domesticity firmly recommended by practically all the literary idols of my youth.

Those were the days when schoolgirls' careers abruptly stopped at the glorious moment when they met their mates. In the interval, while waiting, they might confidently expect to be kidnapped, gagged, bound or otherwise harmlessly molested by Arab sheikhs, smugglers, German spies, harassed by fire and whirlwind, trapped underground up to their necks in rising water, and still emerge raring to take part in the ceaseless round of life-saving that went on at all the best regulated schools.

Apart from a fairly perfunctory and distinctly patronising introductory section on Charlotte M. Yonge and lesser *pioneers, school stories take up* by far the bulk of this book; and one reads it with successive shocks of recognition and amazement at the shameless draughts of *sentimentality*, complacency, unswerving conformism and sheer piffle one sucked up at the time. The authors are especially good on such matters as the function of pulp-fiction, the need to reconcile censorship (rigidly imposed on the men who ran and wrote Lord Northcliffe's girls' papers) with saleability, the elaborate formal structure evolved over more than half a century of girls' school fiction, and its recent rapid disintegration. But one gets the impression that either the two collaborators are not wholly at one, or they suffered a marked change of heart between chapters. Their style veers sharply from sober, objective, discriminating analysis to a censoriousness that suggests they have not escaped unscathed from prolonged contact with prefects and patrol leaders ("Don't you know when a thing is playing the game, and when it isn't? Don't you know how to be sporting—and clean, and—straight?")

Playing the game, in Mss. Cadogan and Craig's book, *means subscribing* to a set of widespread current ideas about the social conscience, and above *all women's* liberation. People not playing it in this strictly contemporary sense are pretty freely taken to task from Queen Victoria ("Instead of helping to improve the status of women in *England* their Queen and Empress preferred to prolong the *hausfrau* tradition . . .") to Angela Brazil herself ("Angela Brazil's value as a social commentator is negligible"). Even *Miss Yonge is somewhat archly* —and one can't but feel unreasonably — rebuked for having no first-hand experience of childbirth.

Womanliness, patriotism, bloodsports, etc., are all thoroughly unclean according to this modern prefect's code, and when it comes to pony books (whose formidable, presumably sexual attraction for adolescent girls might have borne investigation) the authors' indignation gets altogether out of hand. The entire genre is dismissed as snobbish, unfair to foxes, too dull to read and its doyenne, Christine Pullein-Thompson, pulled up for not being vegetarian either ("The book . . . is littered with bloody images . . . The obtrusively carnivorous children *live off meat sandwiches*").

But these are minor cavils against a book stuffed on every page with memorable quotations.

As a survey, it covers a remarkable stretch of ground with impressive concision. As bedside reading, a kind of cut-price but highly potent remembrance of things past, Angela Brazil had a word for it: "Absolutely ripping, thanks."

Pecking orders

BY DEBORAH PICKERING

Sex and Status by Doris and David Jonas. Hodder and Stoughton, £4.50, 204 pages

In what may become known as "The Jonas Report" within the sex-oriented literati, this *husband and wife team's theory* (she's an anthropologist, he a psychiatrist) links the study of sexual behaviour in animals and humans by examining the individual's problems in the light *of his relation to his social group* and particularly his status within it.

Throughout the animal world groups are governed by rules of status, each group containing both dominant and subordinate members, and in the process of selection only the strongest breed. We strive to correct inequalities observed in human societies which, in the animal kingdom, wouldn't raise a light. We know of inequalities in other animal groups — hierarchies, dominance rankings, pecking orders — yet juxtapose these with homo sapiens. This book asks: "How far . . . can reason lead us away from life's patterns before we begin to pay a price?"

The Jonases say that the human animal perceives his rank in his social group (not the way others assess *his standing*) which determines his ability to function sexually. We are animals that best function in social groups and our group-status, our ability to adjust to society, to belong, to be accepted, are basic to our mental and physical well-being. (If you haven't guessed already, the Jonases are American.)

The case histories—paragraphs which begin like "Lisa was a chemical engineer . . ." are illuminating and, to English readers, often hilariously amusing. Chapters on Impotence and Frigidity, Variations on a Theme and Turning Losers into Winners, suggest another sex luminary . . . the Jonas report is something else.

If we accept that *most of our sexual malfunctions are manifestations* of underlying social problems, I feel, we are left with a chicken and egg syndrome. The successful business tycoon may squirm, sexually hung-up, in his Rolls-Royce and the emaciated Priapic flicking over skin-mags in his tiny bedsitter. Somewhere in between is the confident, sparkling-eyed fellow who has it made—all ways. Well, there is a chapter on how it's (almost) done . . . or would you rather be a fish?

Beyond Browning

BY ROBIN LANE FOX

Aeschylus's Oresteia, translated by Robert Fagles. Wildwood House, £7.95, 343 pages

This year, we are celebrating the 2500th anniversary (probably) of the birth of Aeschylus *the Athenian playwright*. I would rate the best of his surviving tragedies more highly than any since, except Euripides's *Bacchae* and the central plays of Shakespeare. There could be no more *fitting birthday present than* a powerful modern translation. It is splendid that Robert Fagles, Professor of Comparative Literature at Princeton University, has risen to the occasion for *Aeschylus's masterpiece, the Oresteia*.

Now, I must say at once that Aeschylus is untranslatable and you cannot really hope for more from this translation of his great *trilogy than a wish to learn* ancient Greek in order to come to grips with him. The Greeks, unlike the Romans, were conscious that they had a specifically poetic vocabulary, and Aeschylus *wrote before the Sophists*, those itinerant intellectuals and teachers, had gone to work on problems of language and definition.

His Greek, therefore, is *abstract, marvellously cloudy* and often very solemn. It is also quite simply Greek. "And radiant dreams are passing in the night, The memories throb with sorrow, joy with pain . . ." as Fagles has to put it. In Greek, the thought goes deeper, yet it only occupies seven words. Of course there are points of emphasis which I think he misses, and there are problems of meaning which are blurred, sometimes because they are so extremely obscure. But this is far and away the best modern translation and it actually manages to be grim (Cassandra's speeches in the Agamemnon) without being bombastic.

The irony is still alive, the "purple-strewn path," for instance, with which the wife Clytamnestra welcomes her husband Agamemnon home after ten years' absence at Troy, "purple" because it is a purple carpet unrolled before him as if he, Troy's victor, were an Oriental despot, but purple, too, because she is planning to murder him inside the house, resenting his sacrifice of their daughter in the interests of his expedition and *the long absence* in which another man has entered her life, while captive women seem to have become his mistresses. Fagles's English is dignified without being pompous and can be read and almost understood without having to be intoned. To his great credit, there is no inappropriate slang, and the images which unify the plays are not often broken up.

Guilt, responsibility, the justice of the gods, the passage from vengeance to trial by law: these are some of the themes which run through three plays whose powers of drama and language are too often given second place to traces of philosophy or radical politics. A play, of course, must be seen and heard, especially a play by Aeschylus whose staging was not negligible. He was famous in antiquity for his use of the long silence. There are stage directions from time to time in Fagles's margin, but he might have taken the idea further. Greek tragedy is at last being prised away from the clasp of the textual critic and the monotone of those full-bosomed chorus leaders. It would be extremely interesting to picture this new translation as well as reading it. When it comes out in paperback and is performed on the stage, perhaps the author will extend his marginal notes in the light of the likeliest ancient stage techniques.

Crimes

BY WILLIAM WEAVER

False Evidence by Harry Carmichael. Collins, £2.95. 223 pages

It's Quinn of the Morning Post again, investigating a crime between bouts of booze and hangovers. The crime is a puzzler, all right. Two men get on the ferry from Dublin to Liverpool; only one of them gets off. Or were there really two? And who really got off the ship? And if George Ainsworth has disappeared deliberately, what was his motive? The answer to the last question is perhaps a bit far-fetched, but Mr. Carmichael's Quinn is so engaging and his style is so direct that the reader will find this adventure as difficult to resist as its predecessors.

Coppers Don't Cry by John Wainwright. Macmillan, £2.95. 222 pages

Mr. Wainwright grinds them out rapidly, and sometimes effectively. But this one is far below the level of his best. The over-writing is a shocking purple, and the padding is far too thick. Lots of reflections on the copper's lot (with some harsh thoughts on law and order and some other observations that come nastily close to racism). *The story itself is slight and* quickly solved. A bunch of hoods want to set up a protection racket in a Northern city. They are foiled, of course, but with a certain intramural bitterness between the the uniformed coppers and the CID.

Remains to be Seen by Michael Butterworth. Collins £2.95. 191 pages

Not quite as funny as Mr. Butterworth's *The Man with the Sopwith Camel*, but almost. Some undertakers in Scunthorpe (*Humberside*), of Russian origin, get caught in the crossfire of secret agents from the U.S., U.S.S.R. and China. Some of the agents are gorgeous blondes; some are clods. All are defeated, as much through accident as through wit, by Mr. Butterworth's endearing hero.

U.K. ECONOMIC INDICATORS

		1976	1976	1975	1975
General	Unit	Feb.	Jan.	Dec.	Feb.
Unemployed¶ ...	'000s	1,304.4	1,430.3	1,211.4	737.1
Unfilled vac'ns...	'000s	99.4	88.8	103.1	180.6
Currency resrvs.	$bn.	7.024	6.785	5.429	7.064
		1976	1975	1975	1975
		Jan.	Dec.	Nov.	Jan.
Bank advncs. b	£bn.	14.438	13,731	14,079	n.a.
Basic mater'ls d	1970=100	268.4	258.4	256.2	222.1
Manfd. prods. d	1970=100	204.9	201.5	198.9	173.0
Retail prices ...	Jan.'74=100	147.9	146	144.2	119.9
Terms of trade	1970=100	81.6	79.7	81.2	81.5
Wage rates	July.'72=100	200.4	196.8	194.2	158.9
		1975	1975	1975	19
		Dec.	Nov.	Oct.	Dec.
Retl. sales val.**	1970=100	186.4	180.8	177.8	158.9
HP debt¶	£m.	2,320	2,289	2,261	2,330
Indust. output**	1970=100	100.6	101.5	101.5	102.8
		1976	1975	1975	1975
Trade and Industry		Jan.	Dec.	Jan.-Dec.	Jan.
Cars*	'000s	98	115	107.5	125
Comm. vehicles*	'000s	27.3	33.2	32.2	34.4
Imports f.o.b. ...	£bn.	1.964	1.966	1.832	1.856
Exports f.o.b. ...	£bn.	1.785	1.767	1.565	1.571
Visible trade balance	£bn.	—0.179	—0.199	—0.267	—0.285
Steel (weekly average)	'000 tonnes	392	310	383	455.2
		1975	1975	1975	197
		Dec.	Nov.	Jan.-Dec.	Dec.
Man-made fibres*	m. kgs.	46.2	49.12	46.85	37.74
TV sets‡‡	'000s	217	221	211	206
Radios, radio-grams‡‡	'000s	185	334	365.5	266
Houses completed¶ ...	'000s	28	28.1	26	24.3
Bricks*	millions	387	439	418	336
Cement (weekly average)	'000 tonnes	238	239	324	255
Furniture†** ...	1970=100	149	161	155	134
Petroleum†	m. tonnes	7.56	6.88	6.69	8.22
		Nov.	Oct.	Jan.-Nov.	Nov.
Hosiery*	1970=100	91	91	92.6	105
Elect. cookers f	'000s	91.8	103.3	80.1	71.3
Washing mchns.	'000s	49.2	55.6	51.2	45.9
Enginrg. (orders on hand)** ...	1970=100	100	103	112.2	131
		Oct.	Sept.	Jan.-Oct.	Oct.
Raw cotton (weekly av.) ...	'000 metric tonnes	2.65	1.72	2.3	2.32
Raw wools	m. kilos	8.7	8.5	9.2	8.6
Machine tools†	£m.	26.9	27.3	24.7	26.7
		4th qtr.	3rd qtr.	Year to date	4th qtr.
Consumer spending	1970 values	8,790g	8,814	35,645	9,057
Motor trade turnover	1972=100	153	151	146.5	121
		3rd qtr.	2nd qtr.	Year to date	3rd qtr.
Bldg. and civil engineering* c	£bn.	3.097g	2.920	8.661	2.673

* Production. † Deliveries. ‡ Net sales. § Consumption. ** Seasona adjusted. †† All manufacturing industries. ‖ Excluding car radi ‡‡ Deliveries, U.K. made and imported sets. b From May, 19 onwards new basis of calculation refers to advances to U.K. pub and private sector. Historical figures on new basis not availab d Prices. f Including cooker griller toasters. c Value of outp ¶ United Kingdom not seasonally adjusted. g First prelimina estimate.

هكذا من الأصل

FINANCIAL TIMES SURVEY
Thursday March 4 1976

DISTRIBUTION

Most sides of the distributive trades are now in broad agreement on the significance of physical distribution costs to the profit equation. But within this there are still a number of conflicting views on the best ways to tackle the problem.

Quest for cost savings

By ELINOR GOODMAN, Consumer Affairs Correspondent

WHEN THE COST of physical distribution was first thrust into prominence by the oil crisis in 1973, distribution was seen primarily in terms of the cost of transporting goods from the factory to their final selling point. The prime requirement was seen as reducing fuel costs and, almost overnight, it seemed, distribution became a major talking point within industry.

Since then, however, the shift of emphasis has changed, and the broader definition of physical distribution, previously only propagated by a minority has become more generally accepted. Physical distribution costs are no longer seen by sophisticated companies merely as the basic cost of transporting goods; instead the term encompasses a whole range of cost factors including the location and size of both suppliers' and retailers' warehouses, stock levels, the size and continuity of orders and packaging as well as transport.

On this broader definition, it has been estimated that distribution costs account for about 16 per cent. of total sales turnover and cost £3,700m. a year. Transport remains the biggest single contributor to this bill but the costs of stockholding and warehousing are not far behind.

Not surprisingly, in view of the amounts involved, a recent Little Neddy report on the distributive trade again rammed home the importance of examining distribution costs with a view to saving money. Physical distribution, it said, is potentially one of the most fruitful areas for improvement in the industry's performance. Savings in resources by improved and rationalised physical distribution management, it concluded, should be included as one of the industry's major strategic objectives for the years ahead.

To those who for years have been stressing the need to reduce distribution costs, the Little Neddy recommendation must have seemed like whistling in the dark. There is a fear that, having survived the oil crisis, some companies may let distribution slide again into the backwaters of management thinking.

For the moment, however, while distribution may be less voguish than it was two years ago, most large companies still pay lip service at least to improving its efficiency. Though petrol price rises have slowed down, the wage settlements which took their toll on costs in 1975 were larger than ever before. But the objective now is not seen only in terms of saving on direct transport costs but also in minimising the amount of money tied up in the whole distribution chain.

Consider

The most obvious effect of this desire to reduce the money tied up in distribution has been for companies which operate their own distribution services to consider giving the work to a specialist operator. These companies, like SPD, TLT, and Cory Distribution, offer not only fleets of delivery vehicles but also their own depot facilities. But while many companies have considered putting their whole distribution operation into the hands of an outside company, most have settled—partly because of the difficulties in running down an established network—for giving the specialist operators part of their business and keeping the rest inside the company.

The other effect of this increased awareness of the cost of money has been the more general acceptance of the broader definition of physical distribution. Higher interest rates have meant that most companies have tried to reduce their stockholdings over the past 18 months. Marks and Spencer made the headlines in August last year when it announced it was cutting back on forward orders, but many retailers had already implemented far more savage reductions in the light of the cost of financing stock and in anticipation of a drop in retail sales. As the Government figures made clear, manufacturers followed suit where they could, though there are signs now that this destocking trend has now levelled off.

However, as the Little Neddy report stresses, there are, in theory at least, still savings to be made in this area. The Working Party estimated that every 5 per cent. reduction in the level of wholesalers' and retailers stocks held in the first quarter of 1975 would produce once and for all savings of around £295m. and annual savings of around £60m. on financial and other costs.

However, except in special circumstances, there is not much point in cutting stocks if sales suffer as a result of a deterioration in service to the consumer and a worsening in the out-of-stock situation at the selling point. Though some retailers have come to accept a higher out-of-stock position than before as inevitable, the exercise in reducing stocks is only worth while if those stocks that are held are in the right place at the right time. As stocks are reduced, so the need to have rigid control over them increases, and most companies consider it easier to achieve this degree of control if the number of stock-holding points are reduced.

Since the war, the growth in supermarkets, and more recently in voluntary groups, has meant there has been a steady reduction in the number of buying points in the grocery trade. Over 80 per cent. of grocery purchases are now controlled from less than 400 buying points, while department store groups, like Debenhams, have also gone over to central buying. While some supermarket chains still prefer direct delivery to their shops, the number of delivery points has also been reduced over the years.

More recently, the trend to fewer stockholding points has also accelerated. The CPC food company, for example, now uses only one depot as against around a dozen before while the British Home Stores services 100 stores from four distribution centres.

This trend towards centralised stockholding is not only influenced by the desire to exert greater control over stocks but also by the economies of scale. The National Materials Handling Centre stressed in its Inter-firm Study of Wholesale Transportation and Warehouse Costs that considerable savings per unit of throughput could be achieved if the general patterns of the operations of a company made it possible for them to rationalise distribution into warehouses which had a throughput of over 50,000 cases per week. The study showed that the cost of handling a case could be up to 13 times as much as an inefficient warehouse as an efficient one, and that difference in costs arose largely out of variations in scale.

The same need for economies of scale is making itself felt throughout the distribution chain. Larger lorries are generally cheaper to run (assuming they are full) than smaller ones, large drops are more economic than small ones while many small shops are uneconomic to service on a direct basis. In retailing the hunt is on to build larger shops with their lower cost/sales ratio.

But as the difficulty in getting planning permission for superstores has shown, the planning authorities do not always go along with this "big is best" philosophy. While some progress does seem to have been made in persuading Government departments of the advantages of both large retail developments and warehouses, other economies of scale in distribution may well be blocked both by national legislation and local government policies.

As the Little Neddy report points out, one of the contraints in producing integrated plans for physical distribution are the uncertainties facing the distributive trades over domestic legislation and EEC regulations.

The Dykes Act requires local authorities, by January of next year, to make a survey and prepare draft orders for the control of the movement of heavy goods vehicles in order to preserve or improve the amenities of the area. If, as is feared, local authorities decide to limit severely the size of vehicles to which they will allow access, there could be a big increase in distribution costs per ton and, in the view of some people, an increase in environmental pollution from the additional release of exhaust gases resulting from the use of a greater number of smaller vehicles.

Allowances

Meanwhile, there is also the threat of EEC regulations on drivers' hours being implemented, while retailers have the additional problem of having their buildings treated differently from those of manufacturers for the purpose of capital allowances.

Manufacturers and retailers are united on most of these issues but the harmony does not extend to all aspects of physical distribution. Retailers, particularly food shops, are, as the Price Commission's figures showed, "working on very reduced margins at the moment, and are having to fight among themselves for a smaller market. In this situation, a manufacturer's attempt to cut down on his distribution costs are often seen as an attempt to load them on to the retailer.

Cheaper

There is, for example, a basic conflict between the retailer wanting smaller and more frequent drops and the supplier needing less frequent but larger drops. The size of the drop is central to distribution economics. Less frequent drops mean larger drops and therefore cheaper deliveries for the manufacturers. But the retailer is constantly striving to minimise his inventory levels and maximise his selling space. Conversely, cage palletisation offers obvious economies to the retailer, who can take the goods straight off the lorry and onto the shopfloor with a minimum of handling, but tend to be seen as an on-cost by the manufacturer.

The Little Neddy Report calls for greater co-operation between manufacturer and supplier, but it seems likely that for the foreseeable future these particular issues will hinge on whose power is the greater at any one time. Both sides would agree, in public at least, with the general principle, however, that far more attention still needs to be paid to physical distribution management. To quote Little Neddy again "If physical distribution is the tail, there is a justification in its wagging the dog from time to time."

DISTRIBUTION II

Europe's maze of regulations

ONE OF the barriers up against anyone wishing to set up a national—let alone international—transport business in Europe is that the licensing systems are very, very complicated. Take, for example, the Netherlands. *There the licensing* system is based on the old canal routes. Only fairly short routes can be covered by the individual licence holder. Consequently, any organisation wishing to set up a national network *in the Netherlands would have* to buy literally hundreds of licences for individual routes.

Similar systems elsewhere in Europe have helped make the so-called *petit patron* (the haulier with only a very few vehicles) a *big* element in European haulage. In Italy this type of operator is dubbed the *padroncini* and in the country, perhaps the least-sophisticated in Europe as far as distribution is concerned, it is estimated that nearly *nine out of 10* hauliers have no more than five vehicles.

This higgledy-piggledy growth has led to a great deal of overcapacity in the general haulage business throughout Europe. The small haulier is consequently *more than willing* to cut his prices during the bad times without apparently realising *that cut pricing will generate no* extra trade at all. They just leave less cash to be distributed to the distributors.

Of course, the small haulier seems not averse to cutting his costs by avoiding those local regulations about vehicle safety, about the permitted weight of his loads and the numbers of hours a driver might remain at the wheel. This might help him cut his prices but it also helps to give the haulage business generally a dubious name.

It is not just the roadways which provide vital distribution links in Europe. As in the U.K., rail is an important factor in the business. But, unlike Britain, some Continental countries *have preserved and developed* their waterways — canals and rivers.

In West Germany the licensing system has been deliberately tightened to drive distributors off the roads to the railway network and to the canals and rivers. *The German waterway* network connects with those of Holland, Belgium and France as well as of East Germany. There is no doubt that their links with this vast waterway network have helped the ports of Rotterdam and Antwerp develop to their present extent.

Waterway traffic can be, comparatively speaking, very cheap. Take a typical example. P and M Cassart, a Belgian steel stockholder which recently became part of the GKN Steelstock organisation, operates from a 26-acre site at Seneffe, half an hour from Brussels and nestling between motorways, railway and canals.

It takes in 20,000 tonnes of steel in an average year and half is shipped in by canal and half by rail. Some 95 per cent. of the completed orders then go out by road. Thus, Cassart uses rail and canal for the really bulky and heavy incoming traffic while smaller loads going to a long list of customers leave by road. The canal is extremely important to Cassart because *it* costs £1 a tonne to bring in steel via that route against the £4 a tonne it costs by road.

Anyone moving into the European distribution business is also faced with a multitude of international regulations as well as the "local" ones. In this connection it is only necessary *to go over part of the long list* of problems the U.K. hauliers faced following this country's entry (this time on a permanent basis) to the Common Market to get a glimpse of the snags. There were questions about distances permitted; about the fitting of tachographs to vehicles to make sure that those distances were kept to. There were problems over the permitted sizes of vehicles, about noise regulations and over the trading permits granted by one country to another.

Ironically, the idea of a Common Transport System (which would also take in the ports) was one of the first put forward by the founders of the Common Market. It is still as far away *as ever, it seems, from precise* definition.

In Britain around 65 per cent. of freight in terms of *ton-miles* goes by road, 18.5 per cent. by rail and 16.5 per cent. by coastal shipping. In Holland—with its extensive waterway network—the percentages are 55, 7.5 and 37.5 respectively. For West Germany *it is 38, 39 and 23* while in France road and rail each account for 45 per cent. of freight.

Obstacles

Compared with the problem of setting up a transport network in Europe, setting up warehouses and depots is fairly *simple. The obstacles are much* the same as you would find in the U.K., mainly finding the right site in an area where you can get planning permission.

For those companies needing to distribute their products *in* Europe for the first time there are consultants they can turn to. *The consultants* will help the company sort out the best methods of distribution in the particular countries chosen. They will know about the state of development of the distribution systems in those countries (because the state of development from country to country in Europe varies tremendously) and point the company in the direction of the right distribution organisation for the job.

Fortunately the newcomer will not have to deal solely with the *petit patron* type of operator. For a number of *multi-national groups* which have built up their own distribution organisations are now selling their services in this area to outside customers.

A prime example here is Unilever, which some time ago grouped its 18 transport and distribution companies in Western *Europe under the control of its* transport co-ordination team in Rotterdam and made transport and distribution a separate profit centre, along with its traditional divisions like detergents, fats and so on. The new division was given the task of giving advice, defining areas for future development, obtaining finance and making the best use of resources to provide the best transnational distribution and transport operation, initially in Europe, but later throughout the world. The services it is selling are as diverse as warehousing, groupage, wharfage, ferries, cargo superintendence, tankers, security, hanging garments, parcels and hire cars.

The U.K. Unilever company involved in this network is SPD Group, which now has more than 40 computer-linked depots and 1,000 vehicles in its distribution company and can offer prac*tically every facility for moving* goods into and out of Europe.

But according to Bill Burnes, transport co-ordinator in Rotterdam, Unilever was determined to stay out of the crowded general haulage business and only get into those distribution areas where it could offer *something special*, could therefore command a premium price and would be less affected by the cut-pricing during the recessions.

Philosophy

Examples from the SDP Group in the U.K. of this philosophy are Dale's Security Transport (for shipping TV sets, electronic goods and so on which are often prone to fall off the back *of lorries*) and the Unispeed temperature controlled haulage business. Perhaps the most important development was the Tibbett and Britten concern which specialises in hanging garments, for Marks and Spencer *among* others, because this was an area completely [illegible] Unilever's traditional busi[illegible]

Unilever has learned [illegible] with the *petit patron* sys[illegible] employing these operato[illegible] the road haulage in Italy[illegible] Belgium and France. In[illegible] cases the hauliers get an[illegible] contract but in France th[illegible] hired on a *coup à coup* (li[illegible] blow by blow) basis. Bu[illegible] ever system used they a[illegible] trolled by managers from[illegible] ever Unilever company[illegible] volved.

So the lesson is prett[illegible] for any company wishing [illegible] its products into Euro[illegible] out of Europe into the U[illegible] that matter). It is that, i[illegible] of the enormous comp[illegible] of the distribution netw[illegible] is possible to get good [illegible] on how to make the best [illegible] them. So getting the co[illegible] the first place remain[illegible] major problem.

Kenneth Go[illegible]

Britain's State carriers

UNDER THE twin impact *of* inflation and economic recession, the transport industry has *suffered over the past 12* months.

At British Rail it has been losses on passenger services and *successive fares increases that* have attracted public attention and hostility. But freight operations have also been under pressure and the Government was forced to step in with a grant of up to £70m. to meet *the growing deficit*.

Nor has the National Freight Corporation, which claims to be *the largest freight transport* business in Europe, escaped unscathed. Dr. John Gilbert, the Transport Minister, has announced that grants of up to £8m. will be made available to stave off the immediate finan*cial crisis*.

Though NFC is expected to report a record loss of around £30m. for 1975, the grants to be paid during the early months of this year are intended merely as a temporary measure. Studies have been set in hand to examine ways in which NFC might seek to remove its deficit and Dr. Gilbert *has* promised a further statement once these have been completed.

It may have been the financial problems which caused the two State-owned corporations to hit the headlines, but the picture *is not all black and there* are important signs of both undertakings making use of new technology and adjusting to changing market situations.

BR claims to be the biggest single mover of freight in the *U.K. and points out that in 1974* turnover was worth more than £280m. and that nearly 180m. tons of goods were carried. Inevitably rail is best suited to bulk products over longer distances. Petroleum products, chemicals, aggregates and steel are important, but coal is the *biggest customer*.

To ensure speedy and efficient coal supplies to electricity generating stations, BR has introduced "merry-go-round" services. Trains which can carry more *than a thousand tons of coal at a time have* been designed to load and discharge automatically without stopping. A power station served in this way can receive more than 100,000 tons of coal a week.

The economic recession has meant an inevitable decline in *freight traffic* but BR points out *that during the past year it has* negotiated important contracts to move aggregates, cement, chemicals, North Sea gas pipes and iron ore.

The decision to use rail often involved heavy investment by distributors in wagons and loading facilities. Increasingly, companies are choosing to own their own *rail wagon fleets and* more than 18,000 privately-owned wagons are in service on BR.

The fact that some 4,000 company trains are operated every week reflects the tendency for companies to invest in their own private sidings. Indeed, under Section 8 of the *1974 Railways Act, Government* grants are available towards the cost of providing private sidings and ancillary equipment where advantages would accrue not only to the company but also to the local environment.

But probably the most significant recent advance on the BR freight side is the introduction *of the new TOPS system (Total* Operations Processing System). Sir Richard Marsh, the BR chairman, maintains that the new £16.6m. computerised freight control system will pay for itself within a year.

The *system* links the London computer centre with 155 locations throughout BR's 11,300 mile network, giving continuously updated information about the whereabouts and carrying capacity *of every* wagon *in the fleet*. According to BR, this means that local managers are better able to recognise traffic priorities, cut out wasteful wagon marshalling, run bigger trains, improve punctuality and respond more quickly to customers needs.

Though TOPs is used mainly to process information about the 300,000 wagons on BR's network, it is planned to include parcel vans and locomotives within the system. The system has already identified scope for reducing the wagon fleet by *nearly 20,000 which*, according to Sir Richard represents a capital replacement figure of at least £50m. About 11,000 of these wagons have already been taken out of service.

Attractive

Cash savings from reduced operating and maintenance costs are already running at £3m. a year. But the most important advantage that it is hoped the *efficiency of the TOPS system* will bring is new traffic. BR believes that the offer of a speedy and punctual service will prove attractive to potential customers.

BR is optimistic that it will *not need to take up anything* like a £70m. grant on freight in the current year, and the winning of new traffic through TOPS will be important in determining how quickly operations can be brought back *into profit*.

Generalisation about the operations of NFC, with about 60 subsidiary companies, is difficult. The management philosophy behind such a structure is based on the idea that companies organised into relatively small units, each with its own profit centre, will be more efficient.

Indeed, although NFC is currently *having to* overcome a *cash crisis, most member com*panies are trading profitably. The British Road Services group, which sells a wide range of freight transport, warehousing and ancillary services, is expected to show a record profit for *1975. Pickfords heavy* haulage, removals, and travel service are all prospering while operations like Tankfreight are returning profits.

The main problems have centred on the two rail linked companies National Carriers and Freightliners which have both suffered from the economic recession.

National Carriers originated from the sundries division of BR and was making heavy losses when it was transferred to the NFC under the 1968 Transport Act. Considerable *progress was made in* cutting back losses and only £42.5m. was taken of the £60m. made available by the Government to cover deficits in the first five years. However, the downturn in the national economy began *to hit National Carriers hard* from the middle of 1974 onwards.

Freightliners, a service set up to carry high capacity containers over medium and long distances, is capital intensive and therefore particularly sensitive to any fall in economic activity. Though the operation *was launched by BR more than* a decade ago, Freightliners under the 1968 Act was put under the control of NFC with BR retaining a 49 per cent. shareholding.

Freightliners is understood to have suffered an overall trading deficit in 1975 but there were signs of considerable *improvement in the latter part* of the year. Indeed, in the three months to Novemb[illegible] year the operation m[illegible] £400,000 trading profit. [illegible] that quarter, more than [illegible] *containers* were carried[illegible] very close to the recor[illegible] achieved in 1973.

The company maintai[illegible] reorganisation *of its* ma[illegible] efforts, a period free of [illegible] trial action, and an i[illegible] ment in the standards of [illegible] have enabled Freightli[illegible] win a larger share [illegible] market. The higher l[illegible] traffic has continued in [illegible] year and Freightline[illegible] optimistic about the fut[illegible]

One important move [illegible] new markets is the intro[illegible] of the SCIDS service, [illegible] small container intermo[illegible] tribution system to use t[illegible] title. This is a 24-hour [illegible] distribution service which [illegible] nates the need for [illegible] warehousing. Three of th[illegible] containers can be loaded [illegible] rail wagons designed to [illegible] the 20 feet container [illegible] at the point of arriv[illegible] can be separated for ind[illegible] delivery.

This innovative use [illegible] technology reflects the c[illegible] cialism of NFC and the [illegible] that are being made to [illegible] services and to move int[illegible] *able sectors.* A *major* [illegible] has been given to BRS [illegible] which now operates und[illegible] banner "Roadline." A [illegible] significant development [illegible] trend away from spo[illegible] towards more specialised [illegible] bution services where th[illegible] ties offered can be gea[illegible] the exact requirements [illegible] customer.

Both NFC and BR hav[illegible] problems but there is [illegible] theless an undoubted [illegible] mination to ensure th[illegible] State-owned sector is res[illegible] to the market.

Arthur S[illegible]

هكذا من الأصل

Specialists learn to adjust

[SP]ECIALIST distributors have [gr]own and in the main pros[pe]red over the past 10 years, [bu]t the concept has not proved [th]e panacea that many pundits [su]ggested in the early 1960s.

Certainly over the past 12 [mo]nths the specialists, like the [res]t of the distribution sector, [ha]ve had to adjust to the [eco]nomic recession and down[tur]n in trade and seek new [ma]rketing strategies. In a sit[ua]tion where the traditional [tra]des like grocery products [ha]ve tended at best to remain [slu]ggish, the specialists have [ha]d to look to new markets and [ev]er more sophisticated [ser]vices.

Though much discussed, the [sp]ecialist sector is difficult to [de]fine and inevitably there are [gr]adations of service. At one [le]vel the specialist may do [lit]tle more than the traditional [ha]ulier and just transport goods [fr]om the depot to the shop, but [in] most cases services go far beyond mere physical distribution. Among the sophisticated facilities that a specialist will feel obliged to offer are stock control, a telephone sales service, and in-store merchandising.

The economic climate over the past couple of years has been right for the specialists to extol the advantages of their service. At a time when interest rates are high, low stockholding at a premium, and financial liquidity tight, the operator who will take on responsibility for distribution is to be valued.

Cost pressures have forced many companies to reassess their distribution facilities and it should not be forgotten that this sector accounts for around 20 per cent. of the Gross National Product. Economies which can be achieved through greater efficiency can be important in holding down finished costs.

For the medium and small firms in particular the advantages are apparent of sharing delivery costs with others and handing over the problems of distribution to experts. Not only must the transport operators contend with the worries of rising labour and vehicle purchase and maintenance costs, but also with the growing complexity of legislation governing the industry. Membership of the EEC heralds the introduction of the tachograph—known emotively by the unions as "the spy in the cab"—and controls on drivers' hours.

Developments in the retail industry over the past ten years have prompted the demand for more sophisticated distribution systems. The growth of the multiple chains has both decreased the number of outlets and increased the purchasing power of retailers. In grocery, for example, the multiples' share of the trade has grown from only 25 per cent. to around 50 per cent.

The Unilever subsidiary, SPD, one of the long-established specialist distributors, points out that it has had to adjust its operations from the days when it had to consolidate and store production from many factories for composite deliveries to hundreds of thousands of retailers. Using again the example of grocery, the number of potential SPD delivery points has been drastically reduced now that more than 80 per cent. of purchases are controlled from less than 400 buying points.

Mr. John Harvey, the group marketing director, says that the company must face competition from other distribution systems involving direct deliveries from the factory to the retailer and from wholesalers' central warehouses. Moreover, development of cash and carry operations has removed many of the smaller deliveries and van sale outlets.

Intense

Certainly the undoubted benefits that the specialist operator can offer have induced a number of companies to enter the market and competition is quite intense. In addition to the major national operators there are a number of healthy regional groups able to offer an efficient service.

Welcome as the competition may be to the consumer of the service, there have been complaints from the operators that price cutting has prevented them restoring margins already under pressure from rising costs.

With profit margins eroded and the traditional traffic reduced by the general economic recession, distributors are looking for new markets. Companies are seeking growth by finding areas where specialised handling is required in addition to a flexible and reliable service.

Another operator which moved into the specialist sector with a secured base load like the Unilever subsidiary, SPD, was the Tate and Lyle subsidiary, TLT. From a sugar distribution operation with only ten vehicles in the West Country in 1970, the warehouse and distribution company has developed a sophisticated network of vehicles and depots. But Mr. Mike Kelly, the marketing manager, says he is not content to rest there and wants to double the size of the operation over the coming years.

The company which has attracted most publicity by its dramatic emergence in the specialist sector is Cory Distribution, the Ocean Transport and Trading susidiary. In 1971 with no guaranteed loads from a parent company, Cory launched a nationawide warehousing and distribution service at a cost of £10m. Though such rapid growth has not been without problems the company has made an impact on the market and pushed up turnover rapidly.

Perhaps the most interesting development is the increasing emphasis that the State-owned National Freight Corporation through its many subsidiaries is placing upon specialist services. In the pursuit of more profitable operations NFC is moving away from simple spot business in favour of offering more sophisticated packages.

Indeed, NFC, which claims to be the largest freight transport business in Europe, now offers virtually every service from the time an article leaves the factory up to the point of sale. Advertised facilities include invoicing, inventory control, packaging, warehousing, merchandising and display, buying, raw material scheduling, production planning, order picking, quality control and sales analysis.

A new system which is seen as a technological breakthrough has been introduced by NFC through Freightliner, its subsidiary owned jointly with British Rail. Named SCIDS, the system makes use of a number of small containers which can be assembled on one rail wagon for trunk haulage. On arrival at the terminal the individual containers can each go on to a small chassis ready for final delivery to retail outlets. By this means the advantages of containerisation can be offered for quite small consignments of goods at very little extra cost.

Arthur Smith

Grocery trade

[T]HE REMORSELESS rise in [di]stribution costs in recent [ye]ars has forced the grocery [tr]ade to take distribution [se]riously. The problem with [ta]king things seriously, how[ev]er, is that examination of a [pr]oblem reveals that there are [no] easy answers. For example, [th]e most sophisticated grocery [re]tail groups, like Tesco and [Sa]insbury, were attracted to the [id]ea of having their own care[fu]lly located warehouses from [w]hich they could handle their [ow]n deliveries to the stores. [N]ow the high cost of holding [st]ock has made such a policy [le]ss attractive.

On the other hand, getting [t]he manufacturer to deliver [d]irect to the shop creates [l]ogistical problems for national [c]hains, as well as parking and [h]andling difficulties. For the manufacturers, too, there was [t]he choice between a compre[h]ensive delivery service and the [co]st of transportation to shops [w]ith only a limited turnover. [A]fter a period of intense [ex]amination the grocery trade [ha]s reached some kind of [so]lution — let a hundred [di]fferent flowers grow.

A mass of different distribu[tio]n patterns has evolved. [Re]tailers might be more reluc[ta]nt to run their own system, [bu]t they are loth to have [hu]ndreds of individual suppliers. [In] the one sector that has gained [bu]siness recently has been the [sp]ecialist transport operators [lik]e SPD, a Unilever subsidiary [wh]ich with a turnover of [ap]proaching £50m. is probably [th]e largest; Cory; TLT, a Tate [&] Lyle diversification; and [As]sociated Deliveries.

[I]n addition, the subsidiaries [of] the National Freight Cor[po]ration are now competing [for] business, along with [ent]renched regional companies. [In] most cases manufacturers [del]iver to the depots of these [com]panies and they look after [the] merchandise after that, [tra]nsporting it to the retailers' [de]pots or usually to the shops.

[M]ultiples

[T]he vans and depots of the [spe]cialists are also employed by [the] retail groups, who thus free [so]me of their own warehousing [spa]ce and delivery fleets. The multiples, with their sub[stan]tial buying power (80 per [cen]t. of grocery purchases come [fro]m less than 400 buying [poi]nts), are also suggesting to [ma]nufacturers that they use the [spe]cialists for distribution so [tha]t many leading, indeed com[pet]itive, brands are now [deli]vered to the shops on a SPD [or] Cory vehicle.

[T]he retailers want to get [less] involved with distribution, [and] both manufacturers and the [spec]ialist distribution organisa[tion]s are centralising on six or [eigh]t large depots rather than [goin]g for many local ware[hou]ses. At the same time [peri]shable products, like cake[s], sausages, and large [cum]bersome, fast-moving pro[duct]s, like detergents and [tiss]ues, still tend to get [deli]vered direct. To-day roughly [?? p]er cent of the stock in a [groc]ery retailer might come [from] the manufacturer, while [the] remainder will have passed [thro]ugh a centralised ware[hous]e.

[So]me retailers are trying to [do a]way with warehousing alto[geth]er. Asda, for example, is [keen] to get as much shopping [spac]e as possible in its stores, [and] has pioneered in the U.K. [a sys]tem of caging whereby the [merc]handise is price-marked [and] placed in the cages at the [manu]facturers. These are [stacked] five high and wheeled into [the A]sda stores at night.

[Th]is has enabled Asda to [us]e 80 per cent. of its store [se]lling as against the more [usu]al 60 per cent. But then [Asda] with its big buying [pow]er can impose such pricing and loading burdens on to the suppliers. It does reckon, however, that the introduction of caging has been the major factor in its ability to under-price its grocery competitors.

Asda can get manufacturers to deliver to its outlets because they are usually situated away from traditional High Streets. But the last decade has seen a great reluctance on the part of manufacturers to supply shops direct, especially the small independently owned retailers. This has created a network of cash-and-carry warehouses, around 690 throughout the country, which supply virtually all the needs of the smaller grocer, the shopkeeper calling in at his local cash-and-carries two or three times a week to stock up.

Loyalty

The cash-and-carries have gone almost as far as they can acting as the distribution channel for the independent, and symbol group grocer. Their profits on groceries are rarely much above 1 per cent. net and for the future they look towards catering and liquor sales, and higher profit margins on goods for the electrical, DIY and other specialist small shops. Indeed there were warnings last week that a third of cash-and-carries might disappear as competition for retailer loyalty drives down their profitability, and their customers go under to the price advantages offered by the multiples.

The cash-and-carry industry is, in fact, going the way of grocery retailing, with 90 per cent. of sales already handled by ten groups, and although the depots certainly preserved the existence of small retailers when they were dropped from the calling list of distribution cost-conscious manufacturers, they may have delayed, rather than halted, the demise of the independent grocery shop.

Still, cash-and-carries will continue to offer one solution to the disappearance of direct deliveries. At the more sophisticated end of the distribution rainbow there is the growing specialisation. Companies like Synergy Logistics will supply its clients with advice on what vehicles to buy, where to site warehouses, what routes to take to retailers and the order for calls.

SPD has just launched a specialist frozen food distribution company called Unicold, which derives from its deliveries for Birds Eye, to take into account the development of freezer centres and the enlarged frozen food spaces in multiples. ADL has just completed a £800,000 development programme, and has increased its contacts with Food Brokers Limited, the major company in another facet of grocery distribution — the sales expert which undertakes the entire marketing operation for a manufacturer trying to get into a new kind of outlet or is handling imported lines. There is also a revival of interest in such schemes as Operation Moondrop, whereby supermarkets receive their deliveries at night. Previous tests collapsed after objection from the retailers work force.

There is a great feeling of change in the grocery distribution world and some recent innovations may be superseded by events. The arrival in the U.K. of EEC regulations on hours to be worked by vehicle drivers, and such like, could increase the need for local warehouses again, and it is a safe bet that the new thinking of 1976 will be out-dated by 1978. It is for this reason that both producers and retailers are prepared to pay for specialists to shoulder the distribution burden, even though it may cost them more.

Antony Thorncroft

Designated vehicle routes

THE GOVERNMENT concessions on the overall plan for setting up a network of lorry routes have been generally welcomed in an industry which has recently been faced with a large number of proposed changes, some of which have so far been resisted as being against its interests.

It has been made clear that the Government intends to work out a system under which a pattern of roads will become lorry routes, initially on a voluntary basis. It has also been proposed that the system will involve all vehicles above 16 tonnes gross, rather than those above 24 tonnes, as was once envisaged.

The thinking behind the scheme is that while it is obviously necessary to distribute goods in the most efficient possible manner, this should be achieved where possible by creating the least possible impact on environmentally sensitive areas. The Government hopes to start discussions soon with those concerned—discussion aimed at deciding which routes may be the most suitable.

It is now felt that the 3,100-mile network proposed in the consultation paper is too small to be workable and a preliminary selection of about 8,000 miles of the 11,000 miles of existing motorway and primary routes has been made.

Reviewed

Dr. John Gilbert, Minister of Transport, said recently that the new system would have to be reviewed regularly and changed occasionally as new roads became available. He added that in view of the present strains on public expenditure, the scheme would probably take some years to put into operation.

Local authorities are expected to use the legal powers available to them to prevent heavy vehicles which are on the newly designated routes from using unsuitable roads in towns and villages. The new proposals, which differ a good deal from the original consultation paper, suggest a denser network which would come into operation more quickly than was planned.

Another crucial event in the future of road distribution has been the decision to delay any introduction of new restrictions on drivers' hours, giving the industry a breathing space until July next. In the interim there have been suggestions about how the rules could be modified to meet specific needs in the U.K., but these have not so far proved to be particularly helpful.

Similarly, the tachograph issue is still in the melting pot, with trade union opposition remaining firm—and indeed getting a measure of support from management—but concessions such as the possible waiving the 450 km. rule are being made. Pressure is now being applied to have a two-year deferment introduced, allowing more time for details to be thrashed out.

Many users of road transport fear that the introduction of either or both of these EEC measures will result in much higher costs. Already the Periodical Publishers Association has warned that it could have a major effect on the future pattern of distribution of newspapers and magazines, admittedly a rather more specialised product than most, but nevertheless an important one.

It is argued that with many magazines distributed by road, the new legislation could slow down delivery and also contribute towards lower profit margins. This could similarly apply to other goods in the short-term, but it is clear that in the long run some agreement will have to be reached if the industry is to become integrated with the and take advantage of the European market as a whole.

With those involved in distribution by road increasingly concerned about rising costs, a number of other actions are being taken. Manufacturers, who are already modifying their vehicles to comply with noise and smoke standards in Europe, are at the same time attempting to reduce fuel consumption, which to some extent is compatible with reducing smoke.

Ranges

Leyland's Buffalo series of trucks is one of the first ranges to aim at achieving this and their comparatively light weight is used as a major selling point in relation to productivity. The company, which is now pursuing Lord Ryder's suggested policy of increasing its share of the European market, aims to produce vehicles which are right for the job and offer maximum efficiency in the required role.

Another increasingly widely used method of reducing fuel consumption is by means of aerodynamics improvements on trailers and van bodies. Although these are fairly simple devices, some manufacturers claim that savings of up to 10 per cent. on fuel can be achieved. York Trailers suggests that by means of its system, profits on a fairly average operation can be increased by 19 per cent.

But the problems the industry has faced over the period of recession do not appear to have caused serious damage and may even have served to spotlight some of its more ext[illegible] practices and the need [illegible] them.

Britain's strength in [illegible] mercial vehicle mark[illegible] world remains consist[illegible] maintain this position[illegible] ducts must remain com[illegible] particularly in econ[illegible] operation. In Britain [illegible] pressure to cut cost[illegible] boosting the role of ro[illegible] port at the expense [illegible] are regarded as less [illegible] transport modes.

But Britain's posi[illegible] Europe will remain [illegible] one until the problem o[illegible] mum axle weights [illegible] resolved. From the [illegible] facturers' point of vi[illegible] not of great importan[illegible] weight is ultimately [illegible] but a speedy agreement [illegible]

It was suggested rec[illegible] Sir William Batty, p[illegible] of the Society of Motor [illegible] facturers and Traders, [illegible] was now essential tha[illegible] mum vehicle weights sh[illegible] standardised for the [illegible] containers.

But he added, sign[illegible] that the EEC Commiss[illegible] its member States [illegible] remember that inapp[illegible] haste to harmonise tax[illegible] vehicles use could [illegible] through resultant incre[illegible] the taxes on vehicles [illegible] selves, or on the fuel th[illegible] only add to infla[illegible] pressures and reduce th[illegible] tiveness of EEC indus[illegible] world markets. In the [illegible] commercial vehicles, [illegible] almost everything els[illegible] public benefit lies in [illegible] tion, not more.

Lorne [illegible]

Town planning checks

IT IS hard to sell physical distribution needs as a positive planning concept. To most elected bodies, the realities of distribution tend to be encapsulated by the image of the High Street traffic jam caused by lorries and vans unloading. At the other extreme, even in a depressed area with much "spare" land, applications for warehousing do not meet with the same enthusiasm as those for factory space which will always offer more immediate job prospects.

The centre of most disputes remains traffic, and the severity with which public expenditure cuts have now hit road programmes will affect the planning aspect of distribution well into the 1980s. The extent of the cut is indicated by the intention to use on road construction and maintenance in 1978-79 less than 75 per cent. of that planned in last year's White Paper.

From an interested body like the British Road Federation, the reaction has been predictably sharp. "Traffic will increase as the economy recovers," says director Robert Phillipson. "Yet this fact has been blandly ignored while the Government panders to the rail unions. It makes a nonsense of the Secretary of State's absurd claim that 'this is the right balance of transport spending'."

Network

Equally, very many people will be delighted that roads, at least until the potholes grow too deep, have borne the brunt of the cuts. But whatever the rights and wrongs of the case, distributors are faced with a period when the basic criteria for most decisions will remain the road network as it stands at present. The relevance of efficient roads to the movement of goods is clear and direct. Where the road system remains inefficient, some alternative savings will have to be made.

However, the same crisis which has produced the road cuts has also gone some way to persuading government, both local and national, of the cost-savings which can be achieved through such larger units. For years, retailers have blamed central government of pretending to be neutral on the desirability of supermarkets but in practice being against them.

Structure and local plans now being drawn up and these, at least, should ensure that distributors and retailers concentrate to provide the authorities with full arguments to back up their schemes. But at the same time there are equal worries about the orders, due by next year, which local authorities have to suggest for the control of heavy goods vehicles in their areas. Whether authorities will accept that severe limitations on the size of vehicles will inevitably produce higher distribution costs, or that many small vehicles produce more pollution than a few larger ones, are the crucial points.

The best chance for [illegible] constructive planning [illegible] between local authoriti[illegible] retailers stems from two [illegible] one is economic, and [illegible] that major shopping d[illegible] ments by private sector p[illegible] companies are now o[illegible] decline (Brent Cross is t[illegible] really large scheme lik[illegible] some years); the other l[illegible] lative, with local auth[illegible] playing a greater ro[illegible] development under to th[illegible] munity Land Act.

When retailers tal[illegible] authorities they are bo[illegible] stress that their priorit[illegible] maximise selling space [illegible] manner which de[illegible] frequent deliveries, off[illegible] the day-to-day system[illegible] major lines favoured by [illegible] food retailers. Much fle[illegible] will be required if th[illegible] era of the user talking [illegible] to the authorities at th[illegible] ning stage of major d[illegible] ments is to get off [illegible] successful start.

Quentin Guire[illegible]

مكتبة من الأصل

PPOINTMENTS

Changes at Hawker Siddeley

HAWKER SIDDELEY has made the following group changes from April 1.

Mr. P. H. W. Everitt, deputy chairman and managing director Hawker Siddeley Power Transformers will take up Board appointments with Hawker Siddeley International and Hawker Siddeley Electric Export. He will remain deputy chairman of Hawker Siddeley Power Transformers but relinquishes the post of managing director.

Mr. J. R. W. Hampson is to join the Board of Hawker Siddeley Power Transformers as managing director, and Mr. P. Gray will become a member of the Board of Hawker Siddeley Power Transformers as financial director. Mr. L. V. Smith has been appointed to the Board of Yorkshire Electric Transformer as director and general manager.

★

Mr. Reginald E. Abbiss is to become the first director of public affairs of the BOWATER CORPORATION at head office from next month. He has been director of Public Relations of the Post Office Corporation for the past three years.

★

Mr. Herbert Morley, managing director, planning and capital development, BRITISH STEEL CORPORATION since 1974, is to retire on June 30 after more than years in the steel industry.

★

Mr. J. V. Liston and Mr. M. K. Kelly have joined the Board of the BROOKS WATSON GROUP. Mr. W. S. Cunningham and Mr. P. A. O'Hara have resigned from the Board.

★

Mr. Jack Swift has been appointed director, northern region, on the Board of SLEEPEEZEE.

★

Mr. J. R. Stewart-Smith has been appointed marketing director of the GLOVER GROUP.

★

Mr. Z. Niewiarowski, a director of Arbuthnot Latham and Co., has been appointed a director of ARBUTHNOT EXPORT SERVICES.

★

Mr. A. I. Moffat, property director of the HOUSE OF FRASER, has retired.

★

Mr. W. A. Willox and Mr. D. B. Morris have been appointed directors of HUNTING GEOLOGY AND GEOPHYSICS. Mr. D. R. Tipper has been made an associate director.

★

Mr. C. F. Ward has been appointed chairman-elect of the DOBSON PARK INDUSTRIES GROUP and will become chairman on the retirement of Mr. H. J. D. M. Jowitt on October 1. Also from that date Mr. N. H. W. Kane is to be chairman of the Kango Division and a director of the main Board in place of Mr. T. R. H. Kane who is to retire.

★

Mr. K. Stansfield has been appointed finance director of NORMALAIR-GARRETT. He succeeds Mr. M. Barnes who has relinquished that position for health reasons but continues as secretary of Westland Aircraft and as a director of Westland Engineers.

★

Sir Derek Empson has joined the EMI GROUP as a part-time consultant. Sir Derek was Second Sea Lord and Chief of Naval Personnel from 1971 to 1974, when he became Commander-in-Chief, Naval Home Command prior to retirement in 1976.

★

Mr. Barry N. Embury has been appointed deputy managing director of WORLD DISTRIBUTORS (HOLDINGS), a member of the Pentos Group.

★

Mr. R. A. M. Waters has been appointed secretary and Mr. S. Crosbie, general manager (finance) at the head office of the ALLIANCE BUILDING SOCIETY.

★

Mr. K. J. Griffin has been appointed a part-time member of the NATIONAL COAL BOARD for three years.

★

Mr. Geoffrey King has been appointed a director of HEYCROFT HOLDINGS and Mr. Desmond Tolley has been made a director of Hey and Croft.

★

The following have been appointed additional directors of METAL CLOSURES GROUP: Mr. John Cassera, who has been with Metal Closures for 16 years, has been made group commercial director and Mr. William E. Randall, who is managing director of Chubb and Son, becomes a non-executive director.

★

Seven executives of AMEX BANK, the London-based merchant banking subsidiary of American Express Company, have been promoted to assistant director. They are: Mr. José Ochoa, Mr. Kevin J. T. Pakenham, Mr. Andrew F. Sawyer, Mr. Anthony J. Stranger-Jones, Mr. J. Alan Thornton, Mr. Otto W. van der Wyck, and Mr. Tom V. Welstenholme.

★

NATIONAL CARBONISING has made the following appointments: Mr. R. Middleton, group development director and deputy chairman, NCC (Rexco) and Mr. C. Kibbler, a director and general manager of that company. Mr. K. J. Elderfield becomes managing director, Mr. R. Ingham, technical director (carbonisation) and Mr. J. A. Brown consulting director of NCC Process Systems. Mr. J. W. Burke succeeds Mr. Elderfield as managing director of NCC (Engineers).

★

Mr. Derek Biggs has been appointed managing director of Stenhouse Marketing Services (London) and Mr. John Platford has become managing director of Sten-Re. The companies are members of the STENHOUSE REED SHAW group.

★

Mr. William Wallace, secretary of WILKIE AND PAUL, has been appointed a director.

★

Mr. Ian B. Gane has been appointed managing director of SILENT GLISS. Miss G. Lee-Marson remains chairman and Mr. W. E. Glover has become deputy chairman.

★

Mr. Colin Bond has been appointed sales director of JOHN MAUNDERS CONSTRUCTION. He was previously with Barratt Homes.

★

Mr. A. W. Roe has been appointed to the Board of Lancer Boss Rentals from April 1.

★

Mr. L. F. Hiles has been appointed an additional director of C. E. HEATH AND CO. (LANCASHIRE) in a non-executive capacity. Mr. B. W. J. Culliford has become an additional director of C. E. HEATH AND CO. (NORTH AMERICA).

★

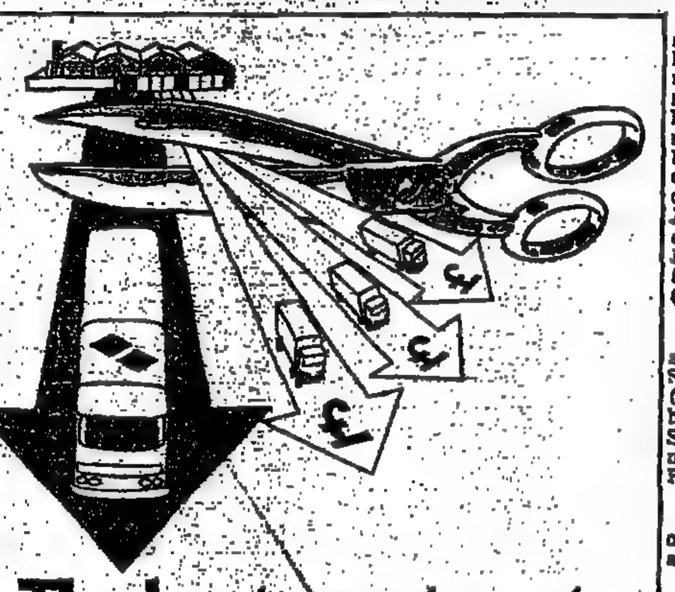
Mr. Brian Lambert, joint deputy chairman of WIGHAM POLAND HOLDINGS, has been appointed deputy chairman of Wigham-Richardson and Bevingtons (Underwriting Agencies). Mr. Michael A. Hetherington, a director of Bateson and Payne, has joined the Board of Wigham Poland Home.

★

Mr. Dennis O. Davis, who has retired as a director of Reckitt and Colman, has been appointed independent chairman of HULL OFFSHORE SERVICES, the recently formed consortium of Hull companies. Mr. Laurie Parkin has been appointed chief executive of the consortium.

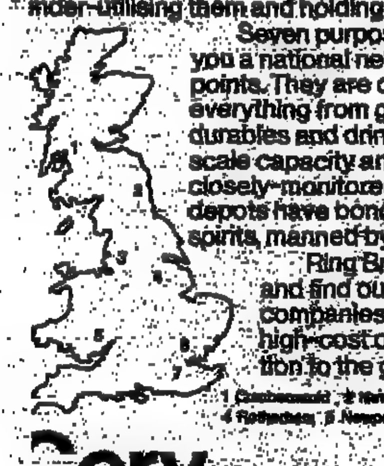
★

Mr. Martin Chatwin has been appointed to the Board of GMS COMPUTING.



The best way to cut your distribution costs in Britain.

When you use the specialised services of Cory Distribution, you cut your distribution costs all down the line. From the capital costs of warehouses and vehicle fleets to the ever-increasing costs of running them, under-utilising them and holding stocks in them.



Seven purpose-built Cory depots give you a national network of stockholding points. They are capable of handling everything from groceries to consumer durables and drinks, with modern, large-scale capacity and equipment, and closely-monitored delivery services. Our depots have bonded stores for wines and spirits, manned by specialist staff.

Ring Bracknell (0344) 3191—and find out why so many companies have moved from the high-cost of own account distribution to the greater economy of Cory.

1 Cumbernauld 2 Newcastle 3 Gelpome 4 Rotherham 5 Newport 6 St. Albans 7 Hackbridge

Cory Distribution

Cory Distribution, Cory House, Bracknell, Berkshire RG12 1AZ.

An OCEAN COMPANY

Is investing overseas the answer?

In today's conditions, widening your investment horizons could well be a prudent move. And a good way to do it is through the medium of investment trust companies—who can, and do, hold assets in markets around the world.

Other advantages:

'Gearing' which, in a rising market, offers the opportunity of accelerated growth.

Professional management, with a record proven over more than 100 years.

Special tax treatment of capital gains.

The opportunity to buy assets at a discount.

A choice of trusts to fit your investment strategy.

Talk to your broker or financial adviser. And please send the coupon if you'd like the informative booklet, "Investing in Investment Trust Companies".

Investment Trust Companies. Part of every well-planned portfolio.

To: The Association of Investment Trust Companies, Park House (Sixth Floor), 16 Finsbury Circus, London EC2M 7JJ.

Please send me your free booklet "Investing in Investment Trust Companies".

Name

Address

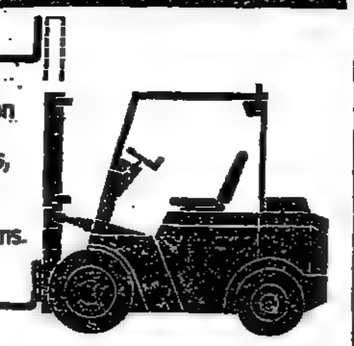
FT4/3

Published by The Association of Investment Trust Companies.

BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

PROFIT LOVING DISTRIBUTORS WANTED FOR BRITAIN'S OWN RANGE OF HYDROSTATIC FORK LIFT TRUCKS.



Total's extended range of fork lift trucks is about to be launched. It's a range that features hydrostatic transmission for effortless lifts up to 8,000 lb. And because we've cut out gears, clutch, brake pedal and torque converter we've cut servicing costs and reduced warranty claims. The range is all-British, and delivery is immediate. If you want to be a distributor, we want to hear from you. Now.

Total Mechanical Handling Ltd

Bridge Street, Leeds, Yorkshire. Tel: Leeds (0532) 448121.

PROFESSIONAL REGISTRARS

A leading firm of Professional Registrars would like to contact other companies or firms offering a similar service with a view to acquisition.

Write Box E.7542, Financial Times, 10, Cannon Street, London, EC4P 4BY.

SUBSTANTIAL INVESTMENT & LOAN FUNDS AVAILABLE

for first class industrial and commercial transactions—for medium and long term periods.

CAPITAL FUNDING LTD.
MERCHANT BANKERS
46, Harley Street, London W1.
Telephone: 01-636-1763 01-580-4830. Telex: 23312.

EQUITY PARTNER

REQUIRED

for Safe Deposit Project in Hatton Garden Area. Suitable Premises acquired and immediately available. Reply to Solicitors, S. R. Freed & Co., 2 Harewood Place, W.1.

STOCKBROKERS

An outstanding opportunity exists for an active young Member with good investment business to join a compact profitable and efficient firm with a view to partnership.

Please write to: Senior Partner, Box E.7536, Financial Times, 10, Cannon Street, EC4P 4BY.

ENGINEERING COMPANY WANTED

Overseas company wishes to purchase outright a small/medium engineering company preferably, but not necessarily, involved in structural steel and plate fabrication. Turnover should be about £700,000 p.a. upwards. Export capability would be an advantage.
Write Box E.7517, Financial Times, 10, Cannon Street, EC4P 4BY.

WOOD

Production Capacity Available. Efficient — Competitive — Fast.

Write Box E.7467, Financial Times, 10, Cannon Street, EC4P 4BY.

15% GRANT

From the Land Government

on the investment sum for trade — or industrial settlement in a small town in Southern Germany. Total financing by Baugesellschaft Pfullendorf possible. Excellent conditions for base.

Please reply to Box F.392, Financial Times, 10, Cannon Street, EC4P 4BY.

Sales/Marketing Specialist

With many years' successful experience at senior level with well-known companies in consumer markets seeks part-time executive/non-executive assignments. Such an arrangement can complement your own experience/resources in dealing with problems or developing opportunities. Remuneration by negotiation. Write Box E.7535, Financial Times, 10, Cannon St., EC4P 4BY.

SALE AND LEASEBACK

A good opportunity to free capital by sale and leaseback of your commercial or industrial property. The terms will be satisfactory. Minimum £200,000.

Retained Agent:
G. GREIG
Dwart House, Wargrave, Berks.
Tel: 073522 2145

We have all the facilities to provide you with

ELECTRO-PLATED PRESSED METAL COMPONENTS

saving you the aggravation of having to sub-contract out your plating with all the hidden costs involved.

For brochure and details contact:
A. W. Payne, PLATED PRESSWORK LTD., 651-675 Princes Road, Dartford 21266 (Telex 896160)

BRITISH PUBLIC COMPANY

seeks to acquire tool distributors and/or builders merchants with turnover up to £500,000. Good prospects for company and staff envisaged.

Write Box E.7424, Financial Times, 10, Cannon Street, EC4P 4BY.

Home Improvement Product

Company has a developed product currently sold through the building trade, which has potential for marketing through the home improvement field at retail level.

Willing to consider a negotiated basis for distribution through this means. *Reply to Managing Director, Box E.7541, Financial Times, 10, Cannon Street, EC4P 4BY.*

ESTABLISHED TRADING COMPANY

with Brazilian connections and several exclusive lines including timber (plywood and veneers), foodstuffs, footwear, confectionery, seeks experienced agents in UK, W. Germany, France, Benelux. *Write in first instance Box E.7544, Financial Times, 10, Cannon Street, EC4P 4BY.*

FREELANCE BUSINESSMAN leaving March, calling Paris, Limoges, Montpellier, Barcelona, Lerida, Zaragoza, Madrid, Bilbao, Bordeaux, Tours, could accept small additional assignments. Tel. 0476-2526.

FREQUENT business trips to Los Angeles. Will accept assignment. G. Sams. 01-237 8396.

HIGH PROFIT EXCLUSIVITIES — All countries. Instant 24 hour deodoriser. One bottle = 48 aerosols. Vast industrial/commercial use. Marketing firms contact: HOEMIG, avenue des Phalènes 36—Boite 6—1050 Brussels.

IBM ELECTRIC TYPEWRITERS. Factory reconditioned and warranted by IBM. Buy—save up to 30 pc. Lease—3 years from £2.20 weekly. Rent—from £18 per month. Pohms Verlex 01-641 2365.

IMPRESS your clients, aboard 50 ft. x 10 ft. teak diesel yacht. Drives like car. London mooring. Exchange possible 1968 Rolls, or cash £8,500. 01-892 8175.

Finance for Private Company Shareholders

If you are a shareholder in an established private company and you or the company require £50,000 or more for any purpose, ring Richard Strong, Charterhouse Development.

Investing in private companies as minority shareholders has been our exclusive business for over 40 years.

Perhaps we can help you?

CHARTERHOUSE

Charterhouse Development Limited, 1 Paternoster Row, St. Pauls, London EC4M 7DH. Telephone: 01-248 3999. A Charterhouse Group company

If you have to run to save your profits, it's too late!

A big export order and overseas business is a good thing for you. Even in prosperous, stable markets like North America and Western Europe.

Consult us with your problems on TAX & DUTY RATES, DEVALUATION, FOREIGN EXCHANGE REGULATIONS, INTERNATIONAL FINANCE & INVESTMENT OPERATIONS, DECLINE IN EXPORT/IMPORT and for MAKING MORE MONEY before you're too late.

J. H. HEINRICHT Lotter House 39 Victoria Street London SW1H 0EE 01-222 0977

THE MIDDLE EAST MARKET

Are you getting your share?

Multi-million pound development projects are announced almost daily throughout the Middle East. Together with increased living standards and personal income these offer outstanding trade opportunities.

However, travel to the Middle East is both costly and time consuming. Do you know the market? Are you adequately briefed? Do you know who to see?

METS are international industrial consultants with offices in Turkey, Jordan, Lebanon, Kuwait, Saudi Arabia, the United Arab Emirates and Egypt as well as Europe and North America.

We are able to offer representation services throughout the Middle East for marketing industrial chemicals, laboratory, hospital and workshop equipment, prefabricated construction, engineering schemes and to assist on major projects and industrial schemes. METS is able to supply information regarding any industry updated from our computer.

If you are interested in using our services on a retainer basis please write to:—

Emil G. Khoury,
Managing Director,
METS-TURKEY,
P.O. Box 22
Kiziltoprak-Istanbul,
TURKEY.
Telex: 22178 OKIM TR.

$350 MILLION, PRESTIGE REAL PROPERTY PORTFOLIO

Our real property investment department has consolidated a prime portfolio of property investments ranging in size from $2 million-$90 million. These represent prime opportunities for Pension Funds, Banks, and other Fiduciary Institutions. Locations are throughout Canada and the U.S.A. Acquisitions available consist of major Shopping Plazas, Office Buildings and Industrial Leasebacks.

FOR DETAILS, "PRINCIPALS" SHOULD DIRECT ALL INQUIRIES TO MR. R. S. TOWN—1901 Yonge Street, Toronto, Ont., Canada, M4S 1Y8. Telephone: 416-481-3443 (Ext. 296)

the Permanent

Canada Permanent Trust Company.
Canada Permanent Mortgage Corporation.

BUSINESS IN HOLLAND

Dutch businessman seeks contact with British Companies which want to dispose or obtain interests in Holland. Property, trading or industrial companies. Please contact

F. Cohen, CONTINENTAL CONSULTANTS LTD.,
48 Oakleigh Park South, London N.20. Tel. 01-445 9203
Telex 27340 DutchLondon

10.5% NETT YIELD CAN. GOVT. GUARANTEED

5 YEAR TERM HOME MOR. $100,000 min. purchase. Primary lender trust co. servicing loan and optional registration, no Can. withholding tax. Irvine Abrams, Barrister and Solicitor, Suite 518, 500 University Avenue, Toronto M5G1 V7. Canada. Telex 06-22816. Toronto. Cable: Abrams, Toronto. Phone 416-363-3183.

NORTON TELECOMMUNICATIONS LTD.

Have a selected stock of redundant refurbished STROUGER PABX TELEPHONE EQUIPMENT suitable for extensions to existing systems or complete installation. Competitive rate for engineering consultancy and installation.

Let us solve your internal communication problems.

Tel: Luton 416444 or Telex 826955

FINANCE REQUIRED

Profitable trading company buying the freehold of its leasehold premises requires finance to complete purchase and develop for Group activities. Realistic interest and first class security offered.

Write Box E.7547, Financial Times, 10, Cannon Street, EC4P 4BY.

FOR SALE

A block of life renewal commissions yielding £55,000 during the next 12 months and apart from minimal falling-off, continuing at this rate for a further eleven years. Income is receivable quarterly. Offers in excess of £220,000.

Principals only write Box E.7490, Financial Times, 10, Cannon Street, EC4P 4BY.

AGENTS & DEALERS WANTED

Galvanised Drive Screws, Mushroom-Heads, Hook Bolts and Roofing Bolts with nuts.

Extremely competitive prices.

Apply:
HARCROSS LIMITED
129 Groveley Road, Sunbury-on-Thames
Middx. TW16 7LA
Tel: 01-890 4676

ENGINEERING SALES COMPANY

In Milton Keynes area near M.1 with at present three technical salesmen, seeks additional company representation or agency.

Write Box E.7533, Financial Times, 10, Cannon Street, EC4P 4BY.

GERMAN BANKER

Looks for partnership, financial and engineering CONSULTANT. Good financial possibility for erection of complete new industry with equipment, know how and technician and European market.

J. FRANG
D 5 Köln 60, Niehler Str. 304,
West Germany — Telex 8 883 287

EXPORT

PRODUCTS REQUIRED

A company with existing contacts with Engineers Merchants in over 40 countries requires additional products to sell exclusively abroad.

Please reply Box E.7493, Financial Times, 10, Cannon Street, EC4P 4BY.

SMALL RAPIDLY EXPANDING INDUSTRIAL ENTERPRISE IN LONDON S.W.

NEEDS £20,000

for which adequate return or a share of the equity, subject to negotiation, is offered.

Replies to Box E.7539, Financial Times, 10, Cannon Street, EC4P 4BY.

LIBERIA

Highly competent businessman—M.D. of own company—is leaving April for prolonged visit to Liberia. Prepared to negotiate / undertake assignments or discuss any other possible commercial propositions. Strict confidence and highest references ensured. Good local contacts. *Write Box E.7540, Financial Times, 10, Cannon Street, EC4P 4BY.*

INVOICE DISCOUNTING. Factoring. EFI arranges the best facility at the best rate at no cost. 5 Tudor House, Heath Road, Weybridge. Tel. 47682.

L. S. LOWRY important original oil paintings and drawings for sale privately. Telephone 061-766 4694.

PROJECT DIRECTORS wanted. We provide London office/base with 'phones, sec., admin., and fully researched projects, with od. potential. You supply your own expertise for unique joint ventures. Send details of experience, specialisation, etc., to E.7523, Financial Times, 10, Cannon Street, EC4P 4BY.

REQUIRED services of contract packers for packing (filling) vegetable oils in 20, 4 and 1 litre cans and/or bottles. Write Box E.7546, Financial Times, 10, Cannon Street, EC4P 4BY.

SMALL PRIVATE internationally connected group seeking investors for light engineering subsidiary requiring capital for expansion. Board appointments available. Amounts of £5,000 to £40,000. Tel.: Miss Caldwell, 01-480 7030.

MENSWEAR RETAIL GROUP

Trading in Home Counties for many years with profits in the region of £200,000 p.a. and in liquid position seeking:

1 — Smaller groups for take-over with or without ongoing management.
2 — Merger with similar or allied company for mutual benefit.
3 — Would consider joining substantial public company — attractive terms would be sought.
4 — "Shell" or small public company situations would be considered.

STRICT CONFIDENCE WILL BE OBSERVED

Please write to:
REF: A.G.
20 Gloucester Place Mews
London W1H 3PL

TELEX—£25 p.a.

Put a Telex at your disposal for £25 p.a. Why not cut your phone bill and speed up your business? BRITISH MONOMARKS (Est. 1925) 01-405 4442 — 01-404 5011

'Phone Answering

Exclusive and Shared Lines available on short or long term basis 01-404 5011 BRITISH MONOMARKS (Est. 1925)

CREATE NEW SALES TEXTILES

International and German Marketing Consultants with extensive know-how in Germany prepared to undertake new assignment from U.K. manufacturing company in textile or ready-to-wear field seeking to expand or create sales in Germany. Impressive marketing record and finest contacts in Germany.

Interested parties please apply to Box E.7518, Financial Times, 10, Cannon Street, EC4P 4BY.

Association or Acquisition

Group of Engineering Companies interested in small to medium engineering companies with products. Every proposition will be seriously considered.

Reply to: Box E.7534, Financial Times, 10, Cannon Street, EC4P 4BY.

SUBSTANTIAL GUARANTEED INCOME

Plus capital injection offered for control of established fund management/financial services company. Write Box E.7519, Financial Times, 10 Cannon Street, EC4P 4BY.

SILENT BUT THIRSTY

financial partner required for busy Midland medium sized Hotel close to N.E.C. Capital injection needed to take out bank who refuses to eat anything but pound notes. Low calorie returns now but vast growth potential.

Throw a life-line via Box E.75?? Financial Times, 10, Cannon Street, EC4P 4BY.

FOR SALE JERSEY TAX LOSS COMPANY

with losses in Securities and Commodities of £120,000.

Please reply to Box E.7532, Financial Times, 10, Cannon Street, EC4P 4BY.

LIMITED COMPANIES FORMED BY THE EXPERTS FOR £72

READY MADE £80

COMPANY SEARCHES £2

EXPRESS CO. REGISTRATION LTD., 30 City Road, E.C.1. 01-628 5434/5/7361/9936

GERMAN EXPORTER

Supplier to large C.E. projects, new and secondhand Truck-Mobile-Crawler and Tower Cranes and Container Carriers, also Dock Cranes, Floating Cranes and Docks, seeks contact with British Exporters for Middle East, S.E. Asia, Africa, and S. America.

Write Box E.7537, Financial Times, 10, Cannon Street, EC4P 4BY.

HEALTH IS PRECIOUS

At our HEALTH FARM on MALTA we will help you preserve YOURS. Better facilities available incl. SQUASH/BADMINTON/GOLF, etc.

Contact us for your brochure:

SILVERLINE
Tel. No. 021-632 6601/2/3

FINANCE FOR INDUSTRY

We are seeking lending investments in industry. Medium and Long Term commercial advances. Hire Purchase and Leasing, especially high value and specialized plant or equipment. Flexible structuring of facilities to match cash flows.

Write Box E.7548, Financial Times, 10, Cannon Street, EC4P 4BY.

WANTED, old bonds, Chinese, Russian and Australian. Write Box E.7538, Financial Times, 10, Cannon Street, EC4P 4BY.

£40,000-£50,000 immediately available by private investor for investment in high yielding proposition, preferably property or manufacturing but must be well secured. Please reply to Box E.7543, Financial Times, 10, Cannon Street, London, EC4P 4BY.

PLANT AND MACHINERY

WANTED, All forms of used plastic working and processing machinery. Telephone 03942-77474. Mr. Quinn.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Off 6.29 on Rhodesian situation

BY OUR WALL STREET CORRESPONDENT

NEW YORK, March 3

PRICES GAVE ground on Wall Street to-day, partly attributed to Mozambique's statement that it had closed its border with Rhodesia and put itself on a "War Footing" with its neighbour in southern Africa.

The Dow Jones Industrial Average finished 6.29 off at 978.83, and the NYSE All Common Index lost 31 cents to $53.51, while declines led advances by 913-to-611. Trading volume decreased 140,000 shares to 25.45m.

A partial recovery around mid-session related to assessments in Washington that no war between the two nations was imminent and to a continuing strong gain in U.S. car sales from a year earlier.

However, analysts said concern about the situation in Southern Africa persisted and helped weigh down the Stock Market again.

In the economic news, the U.S. Commerce Department said factory orders rose by 1.9 per cent. in January after a revised 0.5 per cent. gain in December.

General Motors, Ford and Chrysler each added fractions after coming in with higher late February car sales.

Colonial Penn Group dropped $1 to $25 despite higher earnings.

Elgin National Industries jumped $5¾ to $29¼ on sharply higher fourth quarter net, a resumed dividend after 18 years, plus an approved offer for up to 300,000 shares at $27.50 a share.

Several Oil Service Companies were lower. Rucker were off $1⅞ to $20½, Fluor $1¼ to $35½, Sedco $1⅛ to $25⅞, Hughes Tool $1¼ to $40½, Vetco $⅞ to $22⅞, Halliburton $5⅜ to $143 and J. Ray McDermott down $2⅞ to $40½.

ASA slipped $1½ to $27⅞ on the rising tension between Rhodesia and Mozambique.

In other Gold Minings, Campbell Red Lake rose $1½ to $26½, Homestake Mining $2 to $43¾ and Dome Mines $1½ to $41.

Munsingwear moved ahead $1¼ to $13¼—it expects a 35 per cent. to 40 per cent. gain in first quarter net.

U.S. Shoe rose $1⅛ to $33¼. Esquire advanced $1⅛ to $7⅞.

Citizens and Southern Realty fell $3 to $2⅝ on its "big loss" in fiscal 1975.

Fairchild Camera dropped $2¼ to $38⅝—it expects first quarter earnings below that of the fourth quarter of 1975.

The American SE Market Value Index dipped 0.23 to 103.74, while declines led advances by 454 to 205.

Canada lower

Canadian Stock Markets were mostly lower in moderate trading yesterday.

The Industrial Index lost 1.51 to 192.02, Base Metals 0.27 to 86.12, Utilities 0.01 to 139.52, Banks 6.83 to 244.72 and Papers 0.06 to 126.89.

But Golds moved up 12.10 to 814.29 and Western Oils put on 0.88 to 218.90.

Among Golds, Campbell Red Lake gained $1½ to $26½, Dome Mines $1 to $40½ and Camflo Mines $¾ to $10⅞.

Canadian Vickers rose $1⅞ to $21¼ and Massey-Ferguson $⅞ to $29⅞.

PARIS—Most sectors were steady to higher, but Banks and Stores came under pressure and there were some signs of irregularity in Foods and Constructions.

UCB gained strongly on a one-for-three stock split.

Foreign sector was dominated by sharp fall in Gold Mines after Mozambique closed its borders with Rhodesia. Coppers also slipped.

U.S. issues were slightly better, Germans and Belgians were practically unchanged. Canadians improved, while International Oils slipped back.

BRUSSELS—Lower in fairly busy end-account trading. Gold Mines and shares with Southern African interests fell sharply.

U.S. stocks rose, Germans were little changed, U.K. shares fell while most French stocks were steady.

AMSTERDAM—Mixed close in later trading, after a firm opening. Conditions were quiet.

Stores firmed. Shippings were mixed, while Banks and Insurances were also mixed although Ennia fell Fls 4.5 to 121.5. Plantations gave ground.

State Loans eased slightly.

GERMANY—Mixed close after opening higher. Trading was moderate.

Banks were all higher, Electricals were mixed to lower. Chemicals mostly declined. Motors were predominantly lower. Machine Makers gave ground, while Steels were firm and Metals also advanced.

Minings were higher. Utilities mostly advanced, Stores improved, while Breweries were steady to lower.

Domestic Bonds firmed, with Public Loans gaining up to DM0.40. The Regulating Authorities sold DM35m. nominal of stock. Foreign Mark Loans firmed.

OSLO—All sections quiet.

VIENNA—Narrowly mixed in mostly quiet activity.

COPENHAGEN—Mixed in fair dealings, with Banks generally lower.

MILAN—Irregularly lower in lack lustre trading.

Bonds were steadier.

SWITZERLAND—Generally firm in fairly active trading.

Leading Banks lacked a definite trend, while Financials rose and Industrials were mainly higher. Chemicals also met good buying.

State Bonds were narrowly mixed.

In an active Foreign sector, Dollar stocks were narrowly mixed, Dutch Internationals steady, while Germans were generally maintained.

HONG KONG — Prices eased slightly in decreased trading.

Hong Kong Land were down 15 cents to $HK5.85, Wheelock "A" 10 cents to $HK4.30, Swire Pacific "A" 20 cents to $HK10.40, China Light 10 cents to $HK21.60, Kowloon Motor Bus 15 cents to $HK5.85 and Hong Kong and Kowloon Wharf 30 cents to $HK16.90.

But Hong Kong Bank rose 20 cents to $HK23.60.

TOKYO—Mixed trend, with Electricals and Motors rising while "Large-Capital" shares and Chemicals lost ground. Volume 300m. (250m.) shares.

Honda Motors rose Y19 to Y755 on reports that it will market a new model in May.

Electricals reflected reported brisk sales of TV sets and other Home Appliances, both at home and abroad.

Chemicals were sold on the poor business performance of Showa Denko, which lost Y6 to Y89.

Textiles, Oils, Steels, non-Ferrous Metals, Shipbuildings and Trading Houses also finished lower.

JOHANNESBURG — Lower in active trading on Mozambique's call for a "State of War" with Rhodesia. London and local selling pushed prices down in most sectors.

The fall in Gold shares, however, was cushioned to some extent by the rise in the bullion price.

Mining Financials followed Producers down. In coppers, Messina lost 5 cents to R305. Platinums were little changed.

AUSTRALIA—Narrowly mixed in dull trading. AAR gained 11 cents to $A1.08 on developments in its Hail Creek coal venture. Pancontinental moved up 10 cents to $A11.60, but Queensland Mines dropped 15 cents to $A1.93 and Peko-Wallsend lost 16 cents to $A5.

Cons Rutile firmed 5 cents to 95 cents.

Among Industrials, Thiess fell 15 cents to $A1.90. Myer's at $A2.32, Woolworths at $A1.40 and Tooth at $A1.90 each put on 2 cents.

Indices

NEW YORK

DOW JONES AVERAGES

STANDARD AND POORS U.S. STOCK INDICES

MELBOURNE YIELDS

Av'ge yield on 20 Leading Stocks	Feb. 26	Feb. 19	Feb. 12
% Dividends	5.46	5.67	5.66
% Earnings	8.91	9.20	9.25

SYDNEY ALL ORD. INDEX

TOKYO NEW SE INDEX

HONG KONG INDEX

SINGAPORE INDEX

STOCK AND BOND YIELDS

WEDNESDAY'S ACTIVE STOCKS

IND. DIVIDEND YIELD p.c.

N.Y. SE ALL COMMON INDEX

RISES AND FALLS

AMERICAN SE MARKET VALUE INDEX

EUROPE

TORONTO INDUSTRIAL INDEX

MONTREAL INDUSTRIAL INDEX

JOHANNESBURG

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—88¼% (87½%).

NEW YORK

CANADA

GERMANY

Mar. 3	Prices Dm.	+ or −	Div. %	Yld. %
A.E.G.	100.2	−2.5	—	—
Allianz Versich.	409	−4	17	2.0
B.M.W.	270.5	−1.3	14	2.5
BASF	168.7	−0.6	17	—
Bayer	147.7	−0.1	17	5.4
Bayer Hypo	307.5	+2.6	18	2.9
Bayer Vereinsbk.	310	−3	20	2.7
Commerzbank	207.5	+1	18	4.5
Conti. Gummi	111.5	−0.5	—	—
Daimler	365		15	2.0
Degussa	249	−0.5	15	3.6
Demag	177.5	−4.5	—	—
Deutsche Bank	318.1	−1.6	20	3.1
Dresdner Bank	257.8	−1.9	18	3.5

PARIS

AMSTERDAM

MILAN

BRUSSELS/LUXEMBOURG

SWITZERLAND

COPENHAGEN

VIENNA

AUSTRALIA

TOKYO

STOCKHOLM

OSLO

JOHANNESBURG

SPAIN

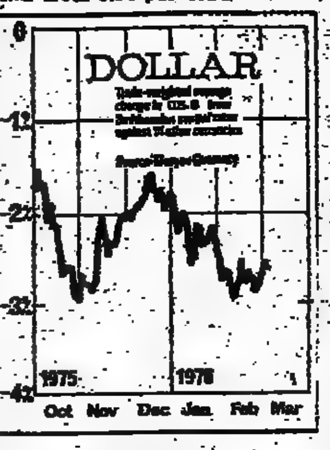
Dollar weakens

The U.S. dollar tended to weaken against major currencies in the foreign exchange market yesterday notably the West German mark. German operators quickly made up lost ground for Tuesday's Mardi Gras half holiday, acting on the feeling that the advance of the dollar in the last few days had been overdone. This, coupled with the fall in U.S. Federal fund rates and Euro-dollar rates, saw the dollar close at DM2.5705, a fall of 60 points from the previous close. The trade-weighted average depreciation of the dollar, as calculated by Morgan Guaranty of New York, on noon rates, widened to 2.62 per cent. from 2.51 per cent. The Canadian dollar recovered to close at 101.15½ U.S. cents against 100.93½ on Tuesday.

There appeared to be a minimal amount of interest in the Italian lira, with most dealers waiting for a more positive indication of a support level from the Bank of Italy. The currency finished at L793 in terms of the dollar against L790 on Tuesday. Its trade weighted depreciation widened to 46.69 per cent. from 45.78 per cent.

Sterling traded steadily for most of the day, and after a few minor fluctuations closed at $2.0240-2.0250, a gain of five points over the dollar. Sterling's average depreciation, as calculated by the Bank of England, remained unchanged throughout at 30.1 per cent.

Gold opened at $131½-132 an ounce, and with the closing of the Mozambique - Rhodesia border, interest pushed the metal up to $132½-133¾ before easing slightly at the close to $132-133, a gain of $1 over the previous day. The krugerrand finished at $135½-137½ (£67-68) from $135-137 (£66¾-67¾) in domestic and international dealings. Its premium over the gold content narrowed to 3.02 per cent. from 3.04 per cent.



SPECIAL DRAWING RIGHT RATES

One SDR is equal to	Mar. 3	Mar. 2
sterling	0.575667	0.575580
U.S. dollar	1.16536	1.16509
Belgian franc	45.7564	45.7939
Deutsche mark	2.99381	3.00069
French franc	5.23771	5.24028
Italian lira	924.427	920.130
Japanese yen	351.589	351.275
Dutch guilder	3.12376	3.13642
Swedish krona	[illegible]	[illegible]
Swiss franc	[illegible]	[illegible]

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

Mar. 3	Frankfurt	New York	Paris	Brussels
Frankfurt	—	2.570-571	57.15-60	6.54-55
N. York	38.92-93	—	22.26-28	2.5460-75
Paris	174.20-20	4.4585-4595	—	11.429-439
Brussels	15.28-31	39.28-32	8.75-76	—
London	5.20¼-21¼	2.0240-50	9.12-11	79.50-70
Amsterdam	104.305-335	2.6792-6817	59.64-69	6.8265-8305
Zurich	100.35-42	2.6337-52	57.40-46	6.57-58

U.S. $ in Montreal U.S. $ = 98.84-86 Canadian cents.
Canadian $ in New York $C = 101.18-20 U.S. cents.

GOLD MARKET

FOREIGN EXCHANGES

OTHER MARKETS

EURO-CURRENCY INTEREST RATES

FORWARD RATES

FARMING AND RAW MATERIALS

New Soviet timber export bid

By A Correspondent

THE SOVIET UNION forest products selling organisation, Exportles, has made another offer of wood, thus maintaining its initiative in the U.K. softwood market.

Its first schedule for a nominal 1,000 cubic metres, which appeared in the third week of January, was easily over-subscribed by British importers. Russian sellers have decided, therefore, to issue a second schedule at higher prices.

But, to simplify the booking, all wood will be sold at prices which are an average of first and second schedules. At the same time, the State organisation has indicated that total sales will exceed 1m. cubic metres.

Using the prices of June-July 1975 as the base, prices for this year's wood—averaged over the main qualities—show a rise of 12.8 per cent. This is still well below Scandinavian asking prices for comparable grades and Exportles will sell as much wood as it is likely to make available.

The U.K. was a market worth investing in for its future maintenance and growth, Mr. Heinz Sherwood, president of the Timber Trades' Federation said last night, at the Federation's annual dinner in London.

Mr. Sherwood said he found it impossible to imagine that shippers should not seriously consider participating in this work. "For a very few pence per cubic metre, by way perhaps of a voluntary levy, they could share the cost of this investment in the future with us.

"I frequently wonder whether the importance of the U.K. market in just one particular respect is sufficiently appreciated by our overseas suppliers."

Farm export centre urged

By Our Commodities Staff

A NATIONAL centre for co-ordinating meat, livestock and other agricultural export industries was called for yesterday by Mr. George Howard, chairman of the Meat and Livestock Commission.

Such a centre would need a considerable pump priming job by the Government, said Mr. Howard, who had called earlier for more Government financial support and willingness to remove the many artificial constraints on Britain's agricultural exports.

He was speaking at the release by MLC of a special export-orientated brochure on British beef cattle.

"British Beef Cattle," MLC,

Supply tightness brings sharp cocoa price rise

BY RICHARD MOONEY

NEARBY POSITIONS on the London cocoa terminal market rose by the 20 permissible limit in late dealings yesterday. The May quotation climbed to £745 a tonne at one stage before slipping back under profit-taking pressure, to close £16.75 higher on the day, at £741.5.

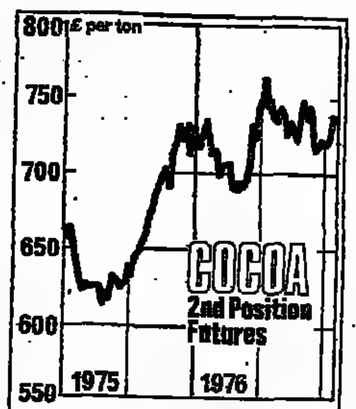
The market opened higher in line with the overnight tone in New York and soon made further headway in relatively thin dealings, ending the morning session £13 up in nearby positions.

Market sources said the rise may have been influenced by news of the closing of Mozambique's borders with Rhodesia, but felt that technical tightness in the expiring March position was a more positive influence.

They also said sentiment was unaffected by the latest U.S. Department of Agriculture (USDA) assessment of the 1975-76 world supply/demand position in which a surplus of 48,700 tonnes is predicted. World output for the 1975-76 season is put at 1,548,700 tonnes, 19,100 below the USDA's January estimate, against expected world grindings of 1.5m. in 1976.

The USDA figures differ markedly, however, from those issued by London merchants, Gill and Duffus, in their latest cocoa market report, published to-day.

The London merchants put the current season's surplus at 26,000 tonnes, a rise of only 2,000 tonnes on its November forecast. This is the result of a virtually unchanged production forecast and a downward adjustment of some 2,000 tonnes in expected world grindings.



Though predicting a higher surplus, Gill and Duffus warn that "in one sense the surplus is slightly less secure than it seemed, even in December," much now depending on the progress of the Bahia temporao crop in Brazil, following production setbacks in the Cameroons and Ecuador. They point out that the possibility of a world surplus is very dependent—"perhaps too much for comfort"—on the continuing progress of one crop.

The report attributes the recent strength of the market largely to technical factors, but says that, even with these factors set aside, the longer term trading level may not prove to be much below current prices. "In terms of other, stronger currencies than sterling, present prices are by no means prohibitive," they add.

Gill and Duffus say there seems generally to be more cocoa available for nearby delivery. "The 1974-75 surplus has by now been absorbed, and it is a reasonable supposition that it has gone to the rebuilding of stocks by those manufacturers who, not long ago, could scarcely find the cocoa to keep their factories going from one day to the next."

USSR may lose 25% of winter grain crop

MOSCOW, March 3.

THE SOVIET UNION may have lost as much as a quarter of its winter grain crop through unfavourable weather, Western agricultural experts said.

Their provisional estimate is for a winter loss of between 20 and 25 per cent. compared with a Soviet average loss of between 15 and 17 per cent.

The winter crop, sown in the autumn and harvested between mid-June and mid-July, normally accounts for about a third of the entire harvest, which is made up mostly of wheat but also includes barley and rye.

The experts said the winter crop had a bad start because of unusually dry weather at sowing time and after. This prevented full seed germination and adequate plant growth, making the grain crop more vulnerable to sharp temperature changes which have marked this winter.

Following the worst Soviet harvest for a decade in 1975—at 140m. tonnes, only two-thirds of the target—the Soviet Union had repeatedly reminded its farmers of the importance of a good winter grain crop this year.

But the Western experts said Soviet reports indicated that the winter grain was in a worse condition last autumn than it was at the same time in 1974.

Reserves of moisture in the soil were well below average at the end of the year in several areas, including Belorussia, the north-central and eastern Ukraine and the north-eastern Caucasus, they said.

Hard frosts in the more northern grain areas have since caused concern.

Reuter

Rhodesia closure lifts metals

By Our Commodities Editor

MOZAMBIQUE'S decision to close its borders with Rhodesia brought a general rise in London metal markets yesterday. It was almost the only influence in copper, where cash wirebars closed £7.5 up, at £626.25 a tonne.

The biggest price rise in percentage terms, however, was in lead, as a result of increased physical demand from Europe and rumours of a possible rise in the U.S. producer price shortly. Cash lead ended the day £4.25 up, at £182.375 a tonne.

Further support buying, believed to be on behalf of producers, kept lead prices firm, but heavy profit-taking sales cut earlier gains in the tin market, encouraged by the rise in Penang overnight.

● Dow Jones reported yesterday that a political squabble between producers and consumers in the International Tin Council had stalled a key appointment and brought business to a virtual standstill.

In a discussion on the appointment of a chairman for an interim committee to ensure the ITC's smooth transition from the fourth to the fifth International Tin Agreement, consumers supported the present ITC Council chairman, Mr. Harold Allen. But major producing nations opposed his appointment on the ground that he had shown anti-producer bias in his handling of the buffer stock crisis last year.

Potato prices steadying

By Peter Bullen

A SLIGHT fall in potato prices over the past two weeks is not expected to continue for long.

The Potato Marketing Board reported yesterday that the easing in prices had continued up to the week-end. Since then, fine weather had enabled producers to make a start on spring land work, which meant that fewer potatoes were being taken out of store and sent to market. Now, a steadier tone was developing in the markets again.

The brief respite in very firm potato markets was brought about by three factors: consumer resistance to high prices; an increase in marketing by producers who were unable to do other work on the land; and more imports than for several weeks.

As a result of the easing in wholesale market prices, producers' returns fell in the past two weeks by about £10 a ton on average to a range of £160 to £187. The top range of retail prices have also eased very slightly, from 14½p a pound to 14p.

Australian wool sales cancelled

SYDNEY, March 3.

WOOL SALES scheduled for Sydney and Melbourne this week have been cancelled, Mr. John Westmore, executive director of the Australian Council of Wool Buyers, said here.

A nation-wide ballot of wool buyers held last night decided to cancel the sales—already postponed from yesterday—because of problems associated with industrial action by wool storemen and packers.

Reuter

BRITISH SUGAR EXPANSION 'IDIOTIC'

THE British Sugar Corporation was pursuing an "idiotic" policy of refinery expansion, Mr. John Edmonds of the General and Municipal Workers' Union, said yesterday.

"It is idiotic to build new refineries in the east of England at vast expense and then knock down efficient refineries in London, Merseyside and Greenock, throwing 2,000 people out of work in areas where employment is already very difficult," he said.

EEC FARM TALKS

Last minute fight over beef support

BY ROBIN REEVES, IN BRUSSELS

MR. FRED PEART, the U.K. Minister of Agriculture, faces a stiff last-minute fight to retain the substance of the British variable premiums system of beef support. This became clear yesterday as Agricultural Ministers of the Nine continued negotiations in Brussels on EEC farm prices for the 1976-77 season.

By late last night, the Ministers had finished working through the Commission's proposals, commodity by commodity. After a secret session, they decided to press on to-day in an all-out effort to reach a settlement sometime to-night, or early on Friday, on the basis of an amended package tabled by Mr. Lardinois.

Indications on the beef issue were that the Brussels Commission was planning to allow premium payments to continue, but insisting that their scope be strictly limited. It wants British beef market support next season to place much greater reliance on intervention than it has in the past year, giving rise to the prospect of a U.K. "beef mountain," should the market prove unexpectedly weak.

Mr. Peart told journalists: "The principle of continued variable premiums has, I think, been conceded." But he admitted that he was having bilateral talks with Mr. Pierre Lardinois, the Brussels Commissioner responsible for agriculture to reiterate his stand on the beef issue. He clearly indicated that his battle to retain an arrangement which gives the British housewife cheaper beef than her Continental counterpart, and avoids the build-up of large surplus beef stocks, is far from won.

The Commission is not simply being perverse. The Council of Ministers has recognised the political importance to Mr. Peart of keeping variable beef premiums, but they want to see a Community regime and not a U.K. exception. This is not just a question of doctrine but also one of genuine concern that special national regimes lead to a distortion of intra-Community trade in farm products.

The present premiums arrangement for British beef producers was conceded for an experimental year under the duress of "renegotiation" of the terms of EEC membership. But this year, Mr. Peart is no longer carrying his "renegotiation" stick.

Bread wheat

Meanwhile, in the Council, ministers spent considerable time on the Commission's cereal proposals. Strong pressure from several ministers for a stronger price guarantee for bread wheat than proposed by the Commission showed no signs of weakening.

The Commission wants the level of wheat intervention to be no higher than the price which reflects its animal feed value. Market support for bread making qualities would be left to a reference price system (governing minimum import prices) and the occasional buying-up of obvious surpluses at the Commission's discretion.

Until to-day, Mr. Peart and the Dutch minister have argued that the guarantee of an incentive to produce bread-quality wheat could be safely left to market forces. In to-day's session, however, they agreed to accept a reference price regime, providing the Commission lowered the proposed level.

There was general agreement in the Council that it should be possible to introduce a viable baking test to establish a minimum EEC standard for differentiating between wheats of bread-baking and feed quality. Mr. Peart was most insistent that the system agreed to must not involve a large extension of bureaucracy.

On sugar, the British Minister supported the proposed 8 per cent. price rise for beet. This was justified, he said, because the previous two U.K. harvests had been very bad and domestic sugar output needed encouragement.

On the basis of what has been gleaned from the past two days, the most difficult item continues to be a milk price rise acceptable to all ministers. Yesterday's optimism that another potential stumbling block to overall agreement—an acceptable new wine regime to end the Franco-Italian dispute — was enhanced this evening.

The council agreed to the compromise worked on by officials being translated into all the official EEC languages.

Commodity speculation defended

BY JOHN EDWARDS, COMMODITIES EDITOR

COMMODITY FUTURES markets needed outside speculation to function effectively for trade needs, Lord Kissin, chairman of Guinness and Peat, told the Lords Select Committee investigating commodity price stabilisation measures yesterday. It was through this speculation that sufficient turnover was provided, he said.

But Lord Kissin agreed that outside speculators could accelerate price fluctuations, although these were basically created by other influences. He cited the recent example of financial institutions buying copper as an investment in view of political developments in Africa.

The developments in themselves were a fundamental reason for the rise in prices, but the increase had been accelerated by outside speculation.

Nevertheless, he claimed that speculation—as far as it could be quantified—was not a dangerous influence on commodity prices, except in special circumstances. It was difficult to define what speculation was exactly, particularly that by the trade. A bigger influence was the action of governments in distorting normal supply and demand factors and triggering panic buying.

Referring to producer cartels, Lord Kissin thought that a repetition of the oil producers' action was unlikely. It was difficult to find unity of interest among producing countries when the market came under pressure, and he saw only a limited life time for Opec, with members like Iran already taking unilateral action in cutting prices.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

[illegible] ... and thereafter moved between £644 and £645 before ending at £644.5 on the afternoon Kerb. Turnover 10,025 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at [illegible] ... [illegible]

... at the recent higher levels. Turnover 885 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	3323-40	+42.5	3315-25	+10
3 months	3385-3405	+32.5	3380-5	+11.5
Settlem't	3340	+40	—	......
Standard	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

METALS JOINING UPSWING

[illegible]

LEGAL NOTICES

[illegible]

COFFEE

[illegible]

RUBBER

[illegible]

SILVER

[illegible]

COCOA

[illegible]

FREIGHTS

A fixture for grain from U.S. Gulf to Japan at $7.75 f.i.o. for March appeared a little easier compared with last business at $8 for a slightly smaller vessel. Other grain bookings included northern range to Taiwan at $11.30 f.i.o. for March and northern range to Leixoes at $7.75 f.i.o. for March, also from U.S. Gulf to Venezuela at $7.35 f.i.o. for March.

Most other sections virtually idle, but [illegible]

SOYABEAN MEAL

[illegible]

JUTE

[illegible]

... per 100 yards, April £7.58 and £8.81, May-June £7.86 and £8.35. "B" twills: £21.66, £22.04 and £22.28 for the respective shipment periods. Yarn and cloth prices firm.

SUGAR

LONDON DAILY PRICE (raw sugar) £164 (£165) a ton c.i.f. for March-April shipment. White sugar daily price was fixed at £181 (same).

[illegible]

WOOL FUTURES

[illegible]

GRAINS

[illegible]

Soft milling wheat—Hertfordshire £65.50. Feed wheat—Hertfordshire £64.90. Feed barley—Hertfordshire £63.30.

MEAT/VEGETABLES

COVENT GARDEN (Prices, in sterling)—Imported produce: Oranges—Spanish: 3.00-3.40; Jaffa: Shamouti 3.10-3.50; Cypriot: 2.70-3.40. Mandarines—Spanish: Per tray 2.60-2.70. Satsumas—Spanish: Per tray 2.50-2.70. Ortaniques—Jamaican: [illegible]

SMITHFIELD (pence per pound)—Beef: [illegible]

PRICE CHANGES

Prices per ton unless otherwise stated.

	Mar. 3 1976	+ or —	Month ago
Metals			
Aluminium (a)	£420	....	£420
Free Market (cif)	£565-575	....	£540-560
Copper			
Cash Wire Bars (a)	£626.25	+7.5	£589.25
3 months do. do. (a)	£644.75	+8.0	£607.75
Cash Cathode (a)	£616.5	+7.5	£579
3 months do. (a)	£635	+7.5	£596.75
Gold ......Troy oz.	$132.5	+1.0	$129.75
Lead Cash (a)	£182.375	+4.25	£164.625
3 months (a)	£188.875	+4.25	£170.875
Nickel (a)	£2,471½	....	£2,456
Free Market (cif)(lb)	$1.87-2.17	....	$1.9-2.0c
Platinum (a) troy oz.	£76½-81½	....	£76½-81½
Free Market	£67.4	—0.05	£67.5
Quicksilver (76lb) (r)	$90-95	....	$90-95
Silver Troy oz.	205.6p	+0.85	194.5p
3 months	210.3p	+0.85	199.3p
Tin Cash (a)	£3,286	+7.0	£3,135
3 months (a)	£3,356	+7.0	£3,204
Wolfram 22.04lb. cif	$46-48.5	+0.25	$44½-49½
Zinc Cash (a) §	£345.75	+1.5	£337.25
3 months (a)	£354.125	+1.375	£347.5
Producers	$795	....	$795
Oils			
Coconut Malayan	‡	....	‡
Groundnut		....	
Oil	£422	....	£402
Linseed Crude (a)	‡	....	£382
Palm Malayan (a)	£185	—1.0	£175
Soyabean (a)	‡	....	‡
Seeds			
Copra Philipp ton	$202	+2.0	$200
Gr'nuts Nigerian	‡	....	‡
Linseed Can No. 1	£180	....	£156.5
Grains			
Barley EEC	£69	+0.75	£64.75
Home Futures	£64.[illegible]	....	£65.65
Maize			
French No. 3 Am.	£68	+0.75	£66.25
S.A. Yellow	£70.75	....	‡
Wheat			
No. 1 Red Spring	‡	....	‡
No. 2 Hard Winter	‡	....	‡
Australian (f.a.q.)	‡	....	‡
English Milling	£68	....	£66.5
Cocoa Shipment (a)	£766	+18.0	£782
Futures May	£741.5	+16.75	£749.25
Coffee Shipment (c)	‡		
Futures May (a)	£849	+7.5	£863.5
Cotton 'A' Index			
cent	66.45	+0.05	65.6
Jute LJABWC (d)	£195.5	....	£195
Rubber ......kilo	41p	+0.5	39.25p
Sisal EASL (a)	$500	....	$500*
Sugar (Raw)	£164	—1.0	£156
Wooltops 64s....kilo	217p	....	216p
Cloves (Madagasca)	£2,550	....	£2,550
Pepper White....ton	£920	....	£625
Black....ton	£720	....	£745

* Nominal. † Seller. § Unofficial close. ♣ Indicative price. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." ‡ Unquoted. a Seller's quotation. h Jan.-March. u Metric tons. r Sept.

FINANCIAL TIMES

Mar. 4	Mar. 2	Month ago	Year ago
185.90	182.16	178.24	171.00

(Base: July 1, 1952=100)

REUTER'S

Mar. 3	Mar. 2	Month ago	Year ago
1255.2	1235.9	1219.9	1063.3

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	Mar. 2	Mar. 1	Month ago	Year ago
Spot	305.96	310.95	301.99	302.25
Futures	313.28	303.52	295.38	285.18

(Average 1924-25-26=100)

MOODY'S

Moody's	Mar. 3	Mar. 2	Month ago	Year ago
Spple Commodity	787.7	786.2	767.6	738.1

(December 31, 1931=100)

COTTON

LIVERPOOL COTTON—Spot and shipment sales in Liverpool amounted to 681 tonnes, bringing the total for the week so far to 2,374 tonnes. Fresh buying in numerous qualities was recorded, with particular interest in African and Middle Eastern growths, F. W. Tattersall reports.

U.S. Markets

Copper up on African unrest

NEW YORK, March 3.

COPPER rallied on renewed African unrest. Grains closed steady on good short-covering, despite House and local buying. Silver's steadiness was due to grain markets. Sugar was firm on trade buying late in the session, Bache reports.

Cocoa—Ghana spot 78½ (74½). Bahia spot 72½ (70½). March 70.45 (68.46), May 66.70 (64.50), July 63.90 Sept. 61.70, Dec. 59.25, March 57.75, May 56.75, July unquoted. Sales: 1,514.

Coffee—"C" Contract: March 96.00-97.00 (95.35), May 96.90-97.20 (96.57), July 97.50, Sept. 97.50-97.65, Dec. 97.45-97.50, March 97.25-97.50. Sales: 607.

Copper—March 58.50 (58.10), April 58.90 (58.40), May 59.30, July 60.10, Sept. 61.00 settlements. Sales: 1,480.

Cotton—March 61.20 bid (61.20), May 61.65-61.85 (61.70), July 62.05-62.20, Oct. 60.25-60.40, Dec. 58.50-58.65, March 59.20, May 59.50-59.75, July 59.50-60.00. Sales: [illegible]

♣Gold—March 132.20 (131.90), April 132.20 (131.80), May 132.20, June 132.70, Aug. 132.80, Oct. 133.50, Dec. 134.90, Feb. 136.00, April 137.20, June 138.40. Sales: 1,662.

Greasewool—Spot 167.0 nom. (same), March 166.0-169.0 (164.5), May 165.0-165.5 (164.5) July 162.0-162.5, Oct. 162.0-163.5, Dec. 160.0-163.5, March 159.0-163.0, May nil.

†Lard—Chicago loose 17½ nom. (17½ nom.). NY prime steam 18.75 asked (15.65 asked).

††Maize—March 269-268½ (267½), May 274½-274¼ (272½), July 278½-278¼, Sept. 276½, Dec. 271-271½, March 277½, May 280½ nom.

‡Platinum—April 137.10 (137.00), July 138.70 (135.70), Oct. 141.50 Jan. 143.50, April 146.50, July 150.00. Sales: 101.

‡‡Silver—Spot 417.50 (413.50). March 416.30 (412.30), April 417.50 (413.60), May 419.50, July 424.70, Sept. 429.90, Dec. 438.60, Jan. 441.50, March 447.40, May 453.30, July 459.20. Sales: 7,229.

*Soyabeans—March 475½-474½ (473), May 483½-483 (480½), July 491½-492, Aug. 495½, Sept. 499½, Nov. 506½-507, Jan. 513-513½, March 521, May 527½.

bSoyabean Meal—March 132.00 (130.80), May 134.60-134.40 (133.50), July 137.40-137.20, Aug. 139.50, Sept. 140.50-141.00, Oct. 140.50-141.00, Dec. 144.00, Jan. 145.00-145.50.

Soyabean Oil—March 16.75-16.72 (16.52), May 16.93-16.90 (16.71), July 17.10-17.05 Aug. 17.15-17.20, Sept. 17.25, Oct. 17.25-17.35, Dec. 17.45, Jan. 17.45-17.55, March 17.50-17.60, May 17.55-17.65.

Sugar—Spot 14.15 (14.10). May 14.20-14.22 (13.93), July 14.23-14.20 (13.95), Sept. 14.20-14.23, Oct. 14.16-14.17, Jan. 14.17 nom., March 14.14-14.15, May 14.13-14.15, July 14.15-14.14. Sales: 3,368.

Tin—313.00-334.00 asked (309.75-334.00 asked).

**Wheat—March 374-374½ (371½), May 381-379 (379½), July 385½-384½, Sept. 391, Dec. 401, March 410.

WINNIPEG, March 3. ††Rye—May 270 bid (271), July 269 bid (269½), Oct. 266½ bid, Nov. 262 nom., Dec. 253 nom.

cOats—May 157 bid (156½ bid), July 152 asked (152½), Oct. 150½ nom., Dec. unquoted

§Barley—May 230½ bid (229), July 229 bid (227½ bid), Oct. 224 nom., Dec. 226 nom.

dFlaxseed—May 665 bid (653 bid), July 659 bid (658), Oct. 659 bid, Nov. 655 bid, Dec. 649 nom.

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 496¼.

All cents per pound ex-warehouse unless otherwise stated. * Cents per 60-lb bushel ex-warehouse. ♣ $'s per troy ounce—100-ounce lots. †Chicago loose $'s per 100 lbs—Dept. of Ag. prices previous day. Prime steam f.o.b. N.Y. bulk tank cars. ‡‡ Cents per troy ounce ex-warehouse. b New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Chicago, Toledo, St. Louis and Alton. ‡ $'s per troy ounce for 50-ounce units of 99.9 per cent. purity delivered NY. **Cents per 60-lb bushel in store. ††Cents per 56-lb bushel ex-warehouse. 5,000 bushel lots. c Cents per 34-lb bushel. § Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. d Cents per 56-lb bushel, ex-warehouse, 1,000-bushel lots.

STOCK EXCHANGE REPORT

Rhodesian fears dominate stock market sentiment

Gold share index 9.7 down at 164.0—Gilts turn better

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
Feb. 23	Mar. 4	Mar. 5	Mar. 16
Mar. 8	Mar. 18	Mar. 19	Mar. 30
Mar. 22	Apr. 1	Apr. 2	Apr. 13

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Mining and South African issues were at the forefront of a widespread setback on stock markets yesterday following news that Mozambique had been put on a war-footing and had closed its borders with Rhodesia. Heavy falls in Gold mining shares were reflected in a further reaction of 9.7 to 164.0 in the Gold Mines index, making a loss of 50.9 since the Angolan situation became tense on February 16. Rhodesian bonds sustained losses ranging to 5 points, while South African Industrial shares were also hard hit along with U.K. companies with African interests.

Leading equities opened firmly in anticipation of an extension of Tuesday's buying interest. However, prices were marked down as reports on Rhodesia/Mozambique events came in. A relatively small amount of stock came on offer, but once this dried up a modest rally developed and final quotations were a penny or so above the worst. The pattern of trade was reflected in the FT 30-share index which recorded a gain of 2.7 at 10 a.m., then reacted to its lowest of the day at 1 p.m. with a loss of 5.1 before closing 4.4 down on balance at 402.7.

The overall trend, with the exception of Gilts, was downwards, but losses were of a modest nature. Falls led rises by 5-2 in FT-quoted Industrials, while the FT-Actuaries All-Share index lost 0.9 per cent. to 165.20. There was a small increase in activity as measured by official markings of 8,121 compared with 7,109 on Tuesday.

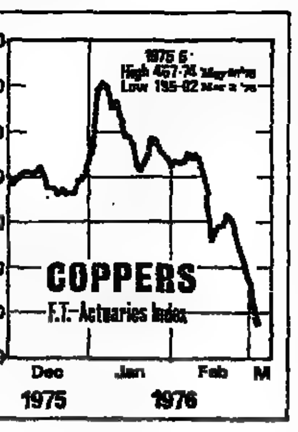
The logic behind a remarkable about-turn in British Funds was not easy to assess. Fears about the trend in U.S. short-term interest rates remained, but the longer end of the market went steadily higher and quotations closed ¾ up, although slightly below the best levels. Strong suspicions of a support operation brought contrasting reactions, although a firmer trend in Gilts could reflect favourably on applications to-day for the new GLC 12½ per cent., 1983, loan. Other sources preferred to believe that the market had been oversold, thus a moderate demand had produced a disproportionate rise because of the thinness of trading. Switching longer failed to dampen early maturities which gained ⅛ and a shade more in places. The Government Securities index rallied 0.31 to 62.85. Southern Rhodesian bonds reacted to the Mozambique "sabre-rattling" and the 2½ per cent., 1965-70, issue fell 5 points to £25.

A moderately active morning trade petered out and the investment currency premium, after fluctuating between 87½ and 89½ per cent., ended showing a small recovery of 1¼ points at 88¾ per cent. Yesterday's S.E. conversion factor was 0.6804 (0.6842).

Barclays fall

The latest unrest on the Mozambique/Rhodesia border had an adverse effect on Barclays Bank, which has large interests in the area. The shares fell to 286p before recovering slightly towards the close on reports that the earlier "war-footing" announcement from Mozambique was more bark than bite; the close was a net 14 down at 288p. Barclays' results are due to-day and not to-morrow as incorrectly indicated here in yesterday's issue. Other banking issues to be hit by the news included Standard Chartered, 15 off at 365p, after 355p, the new nil-paid shares, 7 lower at 22p premium, after 18p premium, and Grindlays, 4 down at 31p. Lloyds lost 6 to 222p, and the new nil-paid shares 3 to 19p premium, Midland ended 5 lower at 285p, after 283p, and National Westminster closed at the day's worst of 250p, down 10. Discounts closed little altered following the late encouraging statement by Union Discount's chairman at the annual meeting; Union closed unchanged at 355p, after 345p.

After a firm start, Insurances



turned dull with the rest of the market. Commercial Union ended 4 down at 129p, after 133p bid, while "Royals" finished 6 off at 322p.

The feature of the drinks sector was Emu Wine, which fell 7 to 170p following news that the Australian Government had imposed an order freezing Inchcape's 170p a share cash offer for 90 days; still in the field is Western Australian Worsted and Woollen Mills' cash offer, also 170p, which closes on March 31. Elsewhere, Breweries were a shade easier where changed with the exception of Matthew Clark 2 harder at 70p.

Buildings had a firm spot in BCA which moved up 8 to 28p on the preliminary statement. Contract news helped Aberdeen Construction to finish 2 harder at 76p, while Y. J. Lovell, still reflecting recent trading news, picked up a like amount at 54p. On a dull note, A. V. Jennings reacted 5 to 130p and losses of 3 were sustained by Marchwiel, 103p, and R. Costain, 230p. H. and R. Johnson-Richards Tiles gave up 5 at 235p, while Timbers had International 3 cheaper at 93p and May and Hassell 4 easier at 83p. Dealings were suspended yesterday in Lawdon (at 6½p) at the company's request pending clarification of the company's position.

Press comment on the full report and accounts helped to sustain ICI which closed only a penny off at 382p, after 386p. Elsewhere, Fisons slipped 3 to 405p and Lankro 4 to 150p.

Television Contractors had Ulster "A" 2 up at 43p and HTV 3 better at 69p.

BSR retreat

The Electrical leaders drifted easier with the general trend. After Tuesday's rise of 8, EMI moved between extremes of 264p and 258p before ending 2 down on the day at 261p: the half-time report is due to-day. Declines of around 3 were registered in Plessey, 78p, BICC, 115p, and Reyrolle Parsons, 123½p, while GEC finished 2 off at 155p. Elsewhere, adverse Press comment caused BSR to move sharply into reverse to close 10 down at 113p after the previous day's rise of 8 on the company's revolutionary record changer. Laurence Scott lost 3 to 41p and Audio Fidelity 2 to 23p.

Leading Stores closed with small losses following a reasonable turnover. Marks and Spencer, 102p, UDS, 90p, and Burton "A," 59p, all closed 2 cheaper. Among secondary issues, MFI Warehouses remained a dull market and lost 2 more at 41p for a two-day fall of 5. Currys gave up 3 at 113p, while losses of 4 were sustained by Allied Retailers, 120p, and W. H. Smith "A," 34p. Mail Orders were idle and closed with little alteration.

The effects of stock shortage were still apparent in GKN, which improved 2 more to 329p, but Tube Investments after rising to 348p softened to close unchanged at 344p, while Hawker eased 4 to 418p. Other Engineerings were also trendless and, while TCK fell 19 more to 104p, still on the well below forecast second-half achievement, Weyburn edged forward 6 to 510p. Profit-taking after Tuesday's "rights" issue announcement and dividend forecast lowered James H. Dennis 5 to 45p and Bonser lost 2 to 29p following the lower profits. Also dull were Automatic-Oil Tools, 3½ cheaper at 64p, and British Northrop, which reacted 3 to 91p. Of the firmer movements, William Cook (Sheffield) hardened 2 to 19p and Wolverhampton Die Casting gained ½ to 13p, the latter in response to increased first-half results. Shipbuildings met with some selling and Hawthorn Leslie came back 3 to 43p.

Among quiet Foods, Cavenham eased to 126p before rallying to close a penny harder on balance at 130p following Press comment on the reorganisation details.

Hotels and Caterers had an easier bias. Grand Metropolitan losing 2 at 82p and J. Lyons "A" 3 at 150p. J. Borel finished a point cheaper at £76 following the preliminary figures.

Barlow Rand weaker

The increasing tension on the African political front caused a further weakening of Barlow Rand, 16 cheaper at 153p, and fellow South African Rennies Consolidated, which receded 13 to 110p. Turner and Newall, on its Rhodesian interests, slipped to 149p but picked up later to 151p for a net loss of only 2. Miscellaneous Industrial leaders generally showed modest losses on the day after starting on a firm note. Up 14 on Tuesday on satisfaction with the better-than-expected fourth-quarter results, Unilever improved afresh to 458p before reacting to 448p to leave a net decline of 4 on the day; the NV, however, closed ¾ higher at £21½. Metal Box finished 4 down at 284p, after 294p. Elsewhere, Black Arrow sustained a late reaction of 4 at 14p in reflection of the poor half-time statement. Diploma Investments, 59p, gave up 2½ of the previous day's rise of 3½ which followed the good first-half report and "rights" offer news. Smith Industries lost 8 to 147p and Development Securities 22 to 223p, but James Dawson found favour and rose 6 to 60p. Nu-Swift Industries were another bright market, improving 2½ to 19½p on the second-half profits upturn and the good start to the current year. Increased first-half profits left Ega Holdings 2 firmer at 44p.

Motors and Distributors had British Leyland and Dunlop giving up 2 apiece at 34p and 87p respectively and Lucas receding 3 to 212p.

Alliance Alders hardened to 49½p, the level of the increased and agreed offer from Jefferson Smurfit, but there was little else of note in Paper/Printings.

Scott. Metro. dip

Property leaders closed modestly easier, losses of about 2 occurring in English Property, 61p, Land Securities, 181p, after 185p, and MEPC, 82p. Town and City Properties shed a penny to 17½p. Elsewhere, Scottish Metropolitan were a notable dull spot at 86p, down 5, unsettled by the proposed £4.2m. "rights" offer in Convertible Loan stock. Similar reactions were seen in A. J. Mucklow, 155p, and Percy Bilton, 146p. Midhurst White, a penny easier at 11p, has been incorrectly shown at 14p in recent issues.

The firm overnight trend on Wall Street failed to sustain Oils, which drifted off in unison with the general market tendency here. Shell slipped back to 376p before closing a net 4 lower at 378p, while British Petroleum shed 2 to 588p, after 585p, and Burmah 1 to 50p. Royal Dutch, ¾ better at £32, were helped by yesterday's slight recovery in the investment dollar premium, a factor which also assisted Sunningdale, 15 up at 590p.

Overseas Traders were mainly in easier mood, although S. Hoffnung closed 2 firmer at 103p, after 104p, in response to the generously priced "rights" offer and the forecast increase in dividend and profits. Paterson Zochonis were another firm exception at 420p, up 20p. After improving afresh to 124p, Lonrho, reflecting the Rhodesian/Mozambique situation, retreated to 113p before rallying to end just a penny down on the day at 120p. Mitchell Cotts declined 4 to 45p.

Stockjobbers Ackroyd and Smithers provided a dull feature in Trusts and Financials, falling to 217p before closing 6 cheaper on balance at 220p.

Press comment on the preliminary statement directed fresh attention to Reardon Smith; the "A," at 70p, gave up 6, the previous day's rise, while the Ordinary were marked down 80 to 210p in an effort to establish a trading basis. Sheaf Steam declined 5 to 65p in sympathy.

Courtaulds were most affected in Textiles and lost 4 to 153p. Other losses were minimal apart from Caird (Dundee), which were lowered 4 to 40p. Profit-taking clipped 3 off Sidlaw Industries, at 76p, while Crowther and Nicholson were suspended at 3½p following the company's request; a sizeable annual loss is indicated and a decision has been taken to cease trading and realise assets. Tobaccos were marginally easier.

South African Industrials came under fresh selling pressure on the Mozambique/Rhodesia reports. Abercom were lowered 15 to 170p, Greatermans "A," 30 to 210p, and O.K. Bazaars "A" 25 to 425p. Anglo-American Industrial lost 20 at 450p as did Primrose at 105p.

African Teas came on offer on the Mozambique/Rhodesia situation, Blantyre losing 5 to 165p, and Bandanga 2 off at 37p.

Mining shares fall

African mining shares, already hard hit by the recent war in Angola, suffered a further body blow following the news that Mozambique had been put on a war footing.

Prices had, in fact, opened showing small gains owing to "cheap" buying, but following the latest Mozambique news, jobbers marked down prices heavily. De Beers, the most actively traded issue on the London Exchange, opened at 208p and rose to 216p in front of the news but subsequently slumped to 190p before rallying in late dealings following a U.S. demand, to [...] fall on balance of 5p. [...] were 15 lower at 1[...].

Among Rhodesians, [...] were the worst affected [...] 18 to a 1975-76 low of [...] Falcon gave up [...] Mangula (MTD) fell 5 [...] Wankie Colliery lost 3 [...]

In South African [...] Anglo American [...] Corporation receded [...] and 245p respectively [...] the heavyweight stocks [...] around a point were [...] "Amgold" (£20½), [...]ing (£15¾) and [...] (£11½).

London-based Financ[ials, with] the exception of Gol[d ...] which fell 10 to 146p, [...] held steady.

South African Golds [...] under heavy selling [...] despite the rise in the [...] price, which was finally [...] at $132.50. In the hea[vyweight] issues, West Driefontein [...] to £21½, while in the low[er-priced] stocks East Rand dropp[ed ...] 250p under the weight [of con]siderable selling from Co[ntinental] sources. The Gold Min[es index] fell a further 9.7 to [...] lowest level since Dec[ember] 1973.

In Coppers, Messina [...] 175p and Palabora dropp[ed ...] 800p. Platinums were [...] on a Cape demand but [...] quietly easier.

Australians were mixe[d ...] with overnight home ma[rkets].

Elsewhere, Northgate [...] further 5 to 360p: Noranda has stated that it has n[o inten]tion of making an offer [...] former company or [...] Minerals, and the latter [...] 5 to 160p.

FINANCIAL TIMES STOCK INDICES

	March 3	March 2	March 1	Feb. 27	Feb. 26	[illegible]
Government Secs.	62.85	62.65	62.86	62.46	63.01	[illegible]
Fixed Interest	62.37	62.37	62.75	63.05	64.01	[illegible]
Industrial Ordinary	402.7	407.1	403.8	405.9	410.2	[illegible]
Gold Mines	164.0	173.7	182.1	183.9	189.9	[illegible]
Ord. Div. Yield	5.16	5.12	5.19	5.16	5.10	[illegible]
Earnings Y'ld % (full)	14.83	14.71	14.89	14.85	14.69	[illegible]
P/E Ratio (net) (*)	9.82	10.00	9.87	9.92	10.04	[illegible]
Dealings marked	8,121	7,109	6,725	6,741	7,536	[illegible]
Equity turnover £m.	—	50.62	48.64	59.55	70.37	[illegible]
Equity bargains total	—	17,547	18,318	17,649	18,399	[illegible]

10 a.m. 406.8. 11 a.m. 403.6. Noon 403.1. 1 p.m. 401.6. 2 p.m. 402.5. 3 p.m. [illegible]. Latest index 01-246 8026.

(a) Based on 52 per cent. corporation tax. (b) Nil = [illegible].

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1975/6 High	1975/6 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.21 (30/1/76)	49.18 (3/1/75)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.43 (22/1/76)	50.53 (3/1/75)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	417.4 (30/1/76)	146.0 (6/1/75)	543.6 (16/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/8/75)	164.0 (3/3/76)	442.3 (22/8/75)	43.5 (26/10/71)

S.E. ACTIVITY

	March 3	[illegible]
Daily		
Gilt-Edged	168.8	[illegible]
Industrials	285.[illegible]	[illegible]
Speculative	104.[illegible]	[illegible]
Totals	184.[illegible]	[illegible]
5-day Average		
Gilt-Edged	169.[illegible]	[illegible]
Industrials	244.6	[illegible]
Speculative	98.5	[illegible]
Totals	166.6	[illegible]

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed. March 3, 1976: Index No.	Day's Change %	Est. Earnings Yield % (Max. Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Tues. March 2 Index No.	Monday March 1 Index No.	Friday Feb. 27 Index No.	Thurs. Feb. 26 Index No.	Year ago (approx.) Index No.	1975/76 High	1975/76 Low	Since Compilation High	Since Compilation Low
1 CAPITAL GOODS (178)	152.55	−0.5	15.09	5.60	10.03	10.05	153.37	152.66	153.36	158.14	109.64	155.14 (25/2/76)	51.75 (6/1/75)	205.57 (4/5/72)	50.71 (13/12/74)
2 Building Materials (29)	143.49	−0.3	11.70	6.10	13.23	13.22	143.90	144.18	144.60	148.97	97.38	150.18 (18/1/76)	45.11 (6/1/75)	233.84 (2/5/72)	44.27 (11/12/74)
3 Contracting, Construction (23)	253.57	−0.4	15.01	4.15	10.40	10.40	254.20	255.55	257.11	258.24	200.15	265.54 (18/11)	74.74 (6/1/75)	388.53 (19/5/72)	71.48 (12/12/74)
4 Electricals (16)	267.62	−1.5	[illegible]	4.46	9.00	9.00	271.37	269.56	271.59	276.09	205.84	276.09 (26/2/76)	95.49 (2/1/75)	350.04 (4/5/72)	84.71 (25/6/62)
5 Engineering (Heavy) (13)	168.75	−0.7	19.37	7.00	8.39	8.39	169.95	169.24	171.86	174.58	137.21	181.38 (30/1/76)	64.39 (2/1/75)	202.57 (2/5/72)	64.39 (2/1/75)
6 Engineering (General) (63)	140.28	−0.1	13.79	6.07	9.50	9.49	140.46	139.10	139.26	140.93	92.69	140.93 (26/2/76)	45.45 (6/1/75)	168.59 (4/5/72)	45.45 (6/1/75)
7 Machine and Other Tools (9)	57.16	−0.5	14.77	6.98	12.30	12.30	57.45	56.88	57.06	57.06	39.46	57.45 (2/3/76)	20.11 (6/1/75)	136.70 (4/7/69)	19.96 (13/12/74)
8 Miscellaneous (25)	132.42	−0.7	15.62	5.54	8.72	8.72	133.37	133.16	134.18	134.68	98.14	134.68 (26/2/76)	49.65 (6/1/75)	177.41 (27/4/72)	49.65 (6/1/75)
9 CONSUMER GOODS (DURABLE) (56)	156.77	−1.0	14.15	4.58	10.66	10.66	158.12	157.71	157.96	159.52	80.72	159.52 (26/2/76)	38.59 (6/1/75)	227.78 (21/4/72)	38.59 (6/1/75)
10 Electronics, Radio TV etc. (15)	155.35	−1.3	12.39	3.44	13.18	13.16	157.34	156.98	156.35	159.21	97.59	159.21 (26/2/76)	44.28 (6/1/75)	257.41 (19/5/72)	42.85 (12/12/74)
11 Household Goods (15)	180.50	−0.5	17.90	6.94	8.35	8.32	181.56	181.75	182.86	184.70	122.10	184.94 (25/2/76)	64.55 (6/1/75)	263.22 (4/5/72)	65.92 (17/12/74)
12 Motors and Distributors (26)	81.06	−0.6	19.07	6.78	9.52	9.52	81.71	81.99	81.92	82.47	40.82	82.47 (26/2/76)	19.91 (6/1/75)	170.59 (15/1/69)	19.91 (6/1/75)
13 CONSUMER GOODS (NON-DURABLE) (168)	164.60	−0.9	13.54	5.71	10.94	10.93	166.09	165.10	166.51	169.47	126.11	182.24 (6/2/76)	61.98 (6/1/75)	228.08 (16/2/72)	61.41 (13/12/74)
14 Breweries (15)	162.61	−0.9	13.50	6.60	10.87	10.87	164.02	166.46	167.80	172.40	139.31	179.45 (3/2/76)	75.58 (6/1/75)	281.87 (28/11/72)	69.47 (13/12/74)
15 Wines and Spirits (7)	176.60	−0.6	10.46	5.71	14.45	14.45	177.60	177.75	178.90	182.17	142.59	186.67 (2/2/76)	80.42 (6/1/75)	257.40 (13/7/72)	78.81 (13/12/74)
16 Entertainment, Catering (16)	205.71	−0.7	11.00	5.93	14.65	13.87	207.21	197.06	197.41	200.62	136.37	208.60 (5/2/76)	58.26 (6/1/75)	329.99 (12/12/72)	54.87 (13/7/74)
17 Food Manufacturing (22)	165.65	−1.0	12.62	5.06	11.18	11.10	167.24	165.10	166.25	169.18	128.33	174.03 (4/2/76)	62.03 (2/1/75)	211.65 (1/5/72)	59.78 (11/12/74)
18 Food Retailing (16)	141.66	−0.6	11.75	4.86	12.40	12.40	142.68	141.61	143.81	147.02	124.90	155.86 (10/11)	57.15 (2/1/75)	235.08 (5/6/72)	54.25 (11/12/74)
19 Newspapers, Publishing (15)	181.52	−0.5	12.45	5.57	12.07	12.07	182.46	183.22	184.10	184.16	140.69	184.16 (26/2/76)	55.08 (6/1/75)	250.29 (12/1/72)	55.08 (6/1/75)
20 Packaging and Paper (13)	109.35	−0.9	19.94	6.96	7.46	7.47	110.40	110.12	110.69	112.80	85.84	112.50 (26/2/76)	43.46 (6/1/75)	185.69 (26/4/72)	43.46 (6/1/75)
21 Stores (33)	130.55	−1.1	11.58	5.16	13.26	13.24	132.00	131.09	133.09	135.75	112.02	136.24 (2/2/76)	52.63 (6/1/75)	204.59 (16/6/72)	52.63 (6/1/75)
22 Textiles (22)	175.50	−1.4	13.72	6.22	9.56	8.60	176.95	176.65	175.62	178.94	130.48	183.19 (30/1/76)	63.91 (6/1/75)	253.72 (17/8/68)	62.66 (11/12/74)
23 Tobaccos (3)	214.64	−0.8	20.29	5.60	7.51	7.51	216.55	215.69	221.16	224.54	169.55	256.22 (5/2/76)	109.92 (6/1/75)	339.16 (2/8/72)	94.54 (13/6/62)
24 Toys and Games (6)	66.93	−0.2	20.37	6.94	6.84	5.84	67.05	67.14	67.20	67.58	40.59	67.58 (26/2/76)	20.92 (6/1/75)	135.72 (16/1/70)	20.92 (6/1/75)
OTHER GROUPS (94)															
25 Chemicals (24)	215.54	−0.4	[illegible]	4.45	11.44	11.45	217.49	216.26	216.79	219.77	143.42	219.92 (4/2/76)	73.14 (6/1/75)	219.92 (4/2/76)	71.20 (1/12/74)
26 Office Equipment (10)	92.76	−0.7	14.54	5.56	10.56	10.56	93.46	92.95	92.71	95.47	99.07	104.78 (17/4)	45.34 (2/1/75)	246.06 (1/9/72)	45.34 (2/1/75)
27 Shipping (12)	373.72	−2.1	16.55	6.62	6.62	6.35	381.74	376.84	380.83	391.38	385.65	432.64 (30/1/76)	194.59 (6/1/75)	517.00 (5/12/72)	90.80 (29/6/62)
28 Miscellaneous (48)	168.15	−0.7	14.02	6.29	10.61	10.50	169.59	169.48	170.10	172.22	127.56	172.75 (30/1/76)	60.39 (6/1/75)	258.85 (2/5/72)	60.39 (6/1/75)
29 INDUSTRIAL GROUP (496)	159.31	−0.8	13.90	5.49	10.59	10.52	160.54	159.74	160.69	163.27	120.91	164.06 (30/1/76)	59.19 (6/1/75)	220.17 (1/5/72)	59.01 (13/12/74)
30 OILS (4)	332.90	−0.7	16.11	4.34	7.39	6.62	335.17	332.00	333.11	336.86	231.59	351.71 (9/1/76)	105.83 (2/1/75)	431.66 (29/5/69)	87.23 (29/5/62)
31 500 SHARE INDEX	173.91	−0.8	14.07	5.40	9.96	9.69	175.25	174.24	175.22	177.90	130.55	178.88 (30/1/76)	65.49 (6/1/75)	227.95 (16/2/72)	63.49 (13/12/74)
32 FINANCIAL GROUP (100)	140.48	−1.7	—	5.08	—	—	142.84	141.86	143.81	145.97	128.12	155.46 (30/1/76)	56.50 (6/1/75)	241.41 (11/4/72)	55.88 (13/12/74)
33 Banks (6)	163.18	−3.3	18.27	5.13	8.42	8.42	168.78	169.55	175.61	175.67	151.47	192.16 (29/1/76)	62.56 (2/1/75)	288.32 (20/7/72)	62.44 (12/12/74)
34 Discount Houses (10)	177.16	−0.2	—	6.94	—	—	177.47	177.30	179.68	180.58	149.25	186.52 (15/1/76)	84.18 (6/1/75)	293.15 (2/7/72)	81.40 (10/12/74)
35 Hire Purchase (5)	130.18	−0.8	—	4.90	—	—	129.54	129.64	130.64	132.10	115.48	134.39 (10/5)	42.81 (6/1/75)	433.72 (4/5/72)	38.83 (11/12/74)
36 Insurance (Life) (9)	126.26	−0.5	—	5.55	—	—	126.91	128.01	128.01	128.72	105.43	129.46 (3/4/76)	44.66 (2/1/75)	194.46 (15/5/72)	44.66 (2/1/75)
37 Insurance (Composite) (7)	110.06	−1.8	—	6.23	—	—	112.05	108.99	110.14	112.07	90.68	123.90 (5/9/75)	44.47 (2/1/75)	155.76 (21/6/72)	43.96 (13/12/74)
38 Insurance (Brokers) (9)	232.41	+0.6	8.93	[illegible]	16.98	16.98	231.06	230.89	231.90	232.51	171.25	232.51 (26/2/76)	68.96 (7/1/75)	262.37 (19/12/72)	65.86 (16/12/74)
39 Merchant Banks (17)	88.13	−0.9	—	5.25	—	—	88.97	89.11	90.09	90.45	91.26	94.87 (7/3)	31.21 (7/1/75)	278.57 (1/5/72)	31.21 (7/1/75)
40 Property (32)	178.60	−0.9	2.60	2.71	72.27	67.25	180.15	180.29	182.69	187.01	197.53	241.22 (22/4)	88.19 (7/1/75)	357.40 (9/11/73)	56.01 (20/4/65)
41 Miscellaneous (5)	88.56	+0.6	14.51	6.14	10.81	10.81	87.99	88.62	89.40	90.08	70.27	91.98 (3/2/76)	34.78 (10/1/75)	303.15 (18/5/72)	33.29 (17/12/74)
42 Investment Trusts (50)	164.14	−1.2	8.18	4.40	32.59	32.57	166.14	166.10	168.89	171.15	144.97	184.55 (30/1/76)	75.43 (6/1/75)	245.79 (25/4/72)	71.63 (13/12/74)
43 ALL-SHARE INDEX (650)	165.20	−0.9	—	5.29	—	—	166.78	165.95	167.12	169.65	129.79	172.64 (30/1/76)	62.16 (6/1/75)	228.18 (1/5/72)	61.92 (13/12/74)
COMMODITY GROUPS (*Not included in 500 or All-Share indices*)															
44 Rubbers (9)	447.10	−0.7	14.53	7.51	10.71	10.65	450.35	452.56	453.50	452.40	449.08	535.43 (25/6)	281.66 (3/1/75)	555.37 (25/7/73)	84.68 [illegible]
45 Teas (9)	124.34	−0.7	35.41	8.37	4.14	4.07	125.47	123.56	123.21	123.30	86.76	126.91 (2/2/76)	76.76 [illegible]	126.91 (2/2/76)	59.72 (17/10/74)
46 Coppers (3)	195.02	−3.8	50.67	8.81	1.97	1.97	202.74	212.19	216.95	222.58	420.10	467.74 (21/5)	195.02 (3/3/76)	557.79 (15/1/73)	94.08 (29/4/62)
47 Mining Finance (11)	86.18	−3.3	13.71	5.84	[illegible]	[illegible]	89.15	91.02	92.31	95.30	111.11	141.34 (15/5)	80.58 (2/1/75)	175.90 (28/4/69)	66.31 (30/9/74)
48 Tins (8)	93.87	−0.8	13.32	9.62	10.71	10.05	94.59	95.74	96.51	96.82	92.13	114.49 (5/6)	58.91 (2/1/75)	125.43 (12/1/73)	54.83 (27/6/71)
49 Overseas Traders (13)	229.73	−1.3	14.70	4.47	8.88	8.87	232.79	232.02	235.48	235.95	193.71	252.23 (20/5)	97.37 (6/1/75)	252.23 (20/5/75)	97.37 (6/1/75)

FIXED INTEREST	Wed., March 3 Index No.	Yield %	Tues. March 2	Monday March 1	Friday Feb. 27	Thurs. Feb. 26	Wed. Feb. 25	Tuesday Feb. 24	Monday Feb. 23	Year ago (approx.)	1975/76 High	1975/76 Low	Since Compilation High	Since Compilation Low
1 Consols 2½% yield	—	13.72	13.72	13.62	13.70	13.60	13.69	13.68	13.77	14.52	—	—	—	—
2 20-yr. Govt. Stocks (6)	50.49	†12.90	50.16	50.40	50.95	51.19	50.89	51.01	50.82	48.97	53.45 (30/1/76)	38.27 (3/1/75)	115.42 (11/9/63)	38.27 (3/1/75)
3 20-yr. Red. Deb. & Loans (15)	50.39	†14.67	50.44	50.51	50.60	50.58	50.63	50.66	50.58	46.22	51.46 (4/2/76)	37.01 (3/1/75)	115.45 (23/10/63)	37.01 (3/1/75)
4 Investment Trust Prefs. (15)	49.68	15.92	49.99	49.99	50.08	50.13	50.18	49.80	49.80	43.47	51.23	35.35	114.41	54.45
5 Coml. and Indl. Prefs. (20)	69.04	13.79	68.91	68.91	68.56	68.61	68.54	68.47	68.40	62.49	71.97	47.67	114.95	47.67

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Miscellaneous Financial	31/12/70	128.06
Engineering (Heavy)	31/12/71	153.84	Food Manufacturing	29/12/67	114.13
Engineering (General)	31/12/71	153.84	Food Retailing	29/12/67	114.13
Wines and Spirits	16/1/70	114.75	Insurance Brokers	29/12/67	96.67
Toys and Games	16/1/70	135.72	Mining Finance	29/12/67	100.00
Office Equipment	16/1/70	128.20	All Others	10/4/62	100.00
Industrial Group	31/12/70	128.20			

† Redemption yield. Indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an ICL 1904 370 computer. A new list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 20p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975/6 high	1975/6 low
De Beers Defd. ...	R0.05	22	198	− 5	333	161
Std. Chart. 'New'	Nil/pd.	20	22*	− 7	42*	16*
Cons. Gold Fields	25p	16	146	−10	290	144
Lloyds Bank 'New'	Nil/pd.	15	19*	− 3	36*	19*
Shell Transport ...	25p	15	378	− 4	404	118
Standard Chart. ...	£1	15	365	−15	494	204
ICI ...	£1	14	382	− 1	387	118
Barclays Bank ...	£1	13	288	−14	350	112
BP ...	£1	11	588	− 2	615	190
Commercial Union	25p	11	129	− 4	194	72
Unilever ...	25p	11	448	− 4	462	170
BSR ...	10p	10	113	−10	124	20
Glaxo ...	50p	10	370	− 5	427	198
Grand Met. ...	30p	10	82	− 2	88	17½
Lonrho ...	25p	10	120	− 1	159	68

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

* Premium.

Option Report—3-month Call rates

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Mar. 2	Mar. 15	May 17	Jun. 9
Mar. 16	Mar. 29	Jun. 10	Jun. 22
Mar. 30	Apr. 12	Jun. 24	July 6

"Calls" were dealt in Lonrho, ICI, Swan Hunter, Associated Fisheries, Berry Wiggins, Town and City, Burmah Oil, Electrical and Industrial Securities, Consolidated Gold Fields, Charterhall Finance, Lake and Elliot and Laporte. No "puts" were reported, while "doubles" were arranged in Consolidated Gold Fields and Town and Commercial Convertible.

Industrials				Property		Mines	
A. P. Cement	15	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Assoc. Leisure	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Barclays Bank	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Beecham	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Boots Drug	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bowater	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
B.A.T.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
British Leyland	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BOC Intl.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Burton 'A'	7	Dos.	[illegible]	Amal. Inv.	[illegible]	Hampton Areas	12
Cadburys	6	"Mams"	6	Brit. Land	4½	Hampton Prop.	4
Courtaulds	11	Marks & Sp'ncer	10	Cap Counties	3½	Kuma	100
Debenhams	8	Midland Bank	22	E.P.	8	Lonrho	12
Distillers	15	Nat'l West Bank	20	Land Securities	18	Loraine	55
Dunlop	7½	"Do" Warrants	10	MEPC	10	Poseidon	58
Eagle Star	15	P & O Dfd.	11	Peachey	3½	Pres. Steyn	200
E.M.I.	17	Plessey	8	Town & City	3½	Rio T. Zinc	17
Gen. Accident	16	R.H.M.	6	Town & Comm.	4	Welkom	35
Gen. Electric	13	Rank Org. 'A'	18			West Areas	40
Glaxo	35	Reed Int'l	25	Oils		Western M'ng.	18
Grand Met	7	Rothmans	4	Brit. Petroleum	40		
G.U.S. 'A'	17	Slater Walker	4½	Burmah Oil	7		

NEW HIGHS AND LOWS FOR 1975/76

The following securities (numbers in parentheses) among those quoted in the Share Information Service yesterday attained new Highs and Lows for 1975-76.

NEW HIGHS (18)

BRITISH FUNDS (1)

Treas. 6½pc 1976

AMERICANS (2)

[illegible]

NEW LOWS (76)

[illegible]

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	50	1	6
Corpns. Dom. and Foreign Bonds	8	9	47
Industrials	200	510	1,023
Financial and Prop.	39	267	279
Oils	3	11	19
Plantation	3	15	29
Mines	6	93	48
Recent Issues	2	13	36
Totals	302	919	2,489

BASE LENDING RATES

Allied Irish Banks Ltd.
Anglo-Portuguese Bank
Henry Ansbacher
Banco de Bilbao
Banco de Jerez
Bank of Cyprus
Bank of N.S.W.
Banque du Rhone S.A.
Barclays Bank
Barnett Christie Ltd.
Bremar Holdings Ltd.
Brit. Bank of Mid. East
■ Brown Shipley
Canada Permanent AF
Cayzer Ltd.
Cedar Holdings
■ Charterhouse Japhet
C. E. Coates
Consolidated Credits
Co-operative Bank
Corinthian Securities
Credit Lyonnais
[illegible]
Duboff Brothers
Duncan Lawrie
English Transcont.
First London Secs.
■ Antony Gibbs
Goode Durrant Trust
Greyhound Guaranty
Grindlays Bank
■ Guinness Mahon
■ Hambros Bank
Hawtin & Partners
■ Hill Samuel
C. Hoare & Co.
Julian S. Hodge
Industrial Bank of Scot.
Keyser Ullmann
Knowsley & Co. Ltd.
Lloyds Bank
London & European
London Merc'tile Corp.
Midland Bank
■ Samuel Montagu
■ Morgan Grenfell
National Westminster
Northern Comm. Trust
Norwich General Trust
Portman Guaranty
P. S. Refson & Co.
Rossminster Accept's
Schlesinger Limited
E. S. Schwab
Security Trust Co. Ltd.
Shenley Trust
Standard Chartered
Thames Guaranty
Trade Development Bk.
Twentieth Century Bk.
United Bank of Kuwait
Whiteaway Laidlaw
Williams & Glyn's
Yorkshire Bank

■ Members of the Accepting Houses Committee.
* 7-day deposits 5½%, 1-month [illegible].
† 7-day deposits on sums of £10,000 and under 5½%, up to £25,000 6%, over £25,000 [illegible].
‡ Demand deposits 5½%.
§ Call deposits over £1,000 5½%.

CORAL INDEX
Close 402-407

I.G. INDEX
GOLD 131-136

INSURANCE BA[SE] RATES

† Atlantic Assurance
Cannon Assurance
† Address shown under Insurance and Property Bond table.

MONEY MARKET

Moderate surplus

Bank of England Minimum Lending Rate 9½ per cent. (since February 27, 1976)

Day-to-day credit was in adequate supply in the London money market yesterday, and Discount houses balanced their books without official intervention. The market was helped by bank balances brought forward and a fall in the note circulation. There was also an excess of Government disbursements over revenue transfers to the Exchequer, although this was not as large as expected. On the other hand there was a net take-up of Treasury bills and maturing Local Authority bills.

Discount houses paid around 8 per cent. for secured call loans at the start, and with demand tending to be patchy, rates closed between 7 and 8½ per cent.

In the interbank market overnight loans commanded 8-8½ per cent. in the early part, but rates drifted and traded most of the day at 7-7½ per cent. By the close, however, there was a hardening to 8-8½ per cent. Short-term fixed period interest rates were slightly easier at the short end, with the one month Sterling certificates yield finishing at 8⅝-8⅞ per cent. from 8¾-8⅞ per cent., and the three month 8¾-8⅞ per cent. against 8⅞-8 15/16 per cent.

Rates in the table below are nominal in some cases.

Mar. 3 1976	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House deposits	Company deposits	Discount market deposits	Treasury bills ⊕	Bank Bills ⊕	Fine trade Bills ⊕
Overnight	—	7-8½	—	—	—	—	7¾-8¼	—	—	—
2 days notice	—	—	8¼-8½	—	—	—	—	—	—	—
7 days or 7 days notice	—	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]	—	—	—
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—
One year	[illegible]	[illegible]	10¼	[illegible]	[illegible]	—	—	—	—	—
Two years	—	—	—	[illegible]	—	—	—	—	—	—

* Local authority and finance houses seven days' notice, others seven days' fixed. * Longer-term local authority mortgage rate nominally three years 12-12½ per cent; four years 12¼-12½ per cent; five years [illegible] per cent. ⊕ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills [illegible] per cent; four-month trade bills [illegible] per cent. Approximate selling rate for one-month Treasury bills [illegible] per cent; two-month [illegible] per cent; and three-month [illegible] per cent. Approximate selling rate for one-month bank bills [illegible] per cent; two-month [illegible] per cent; and three-month [illegible] per cent; one-month trade bills [illegible] per cent; two-month [illegible] per cent; and also three-month [illegible] per cent.

Finance House Base Rate (published by the Finance Houses Association): 10 per cent. from March 1. Clearing Bank Deposit Rate for small sums at seven days' notice 5½ per cent. Clearing Bank Base Rates for lending 9¾ per cent. Treasury Bills: Average tender rates of discount 8.4161 per cent.

AUTHORISED UNIT TRUSTS

Gartmore Fund Managers♥(a)(g)
2, St. Mary Axe, EC3A 8BP. 01-283 3531

(z)American Tst.	23.8	25.7	+0.3	1.36
British Tst. (Acc.)	37.2	40.0	-0.4	3.54
Capital Fund	126.0	128.4	-1.0	3.33
Exempt Fund	85.3	92.3	-0.8	5.08
High Income Tst.	39.8	42.8	-0.2	10.11
Income Fund	51.3	55.2	-0.5	7.38
Ins. Agencies	£12.55	13.49	-0.11	3.19
(e)Intl. Ts.(Acc.)	27.7	29.8	+0.1	1.66

Gibbs (Antony) Unit Tst. Mgs. Ltd.
23, Blomfield St., EC2M 7NL. 01-588 4111

(a)A. Gibbs Inc.*	29.5	31.7	.....	10.20
(a)A. Gibbs Gth.††	27.2	29.6	.....	5.20

Dealing day *Tues. ††Wed.

Govett (John)♥
77, London Wall, E.C.2. 01-588 5620

Stockhldr. Feb. 27	121.6	127.6	.....	1.60
Do. Accum. Unit	130.3	137.3	.....	1.60

Next dealing day March 12.

Grieveson Management Co. Ltd.
59 Gresham St., EC2P 2DS. 01-606 4433

Barrington Mar. 3	169.0	177.0	-0.2	4.46
(Accum. Units)	172.9	181.1	-0.2	4.46
B'hgh. Yld. Feb. 26	139.4	146.0	.....	8.60
(Accum. Units)	139.4	146.0	.....	8.60
Endeavour Mar. 2	152.8	160.1	.....	3.02
G'chester Feb. 27	92.6	97.0	.....	2.61
Ln. Brust. Mar. 3	74.9	78.5	+0.7	4.41

Guardian Royal Ex. Unit Mgrs. Ltd.
Royal Exchange, EC3P 3DN. 01-628 8011

(ag) Guardhill Tst.	70.0	72.5	-0.6	4.34

Henderson Administration♥
Premier U.T. Admin., Rayleigh Road, Brentwood, Essex 0277 227300

(g) Australian	37.0	39.6	.....	3.43
(g)Cap. Accum.	27.6	29.4	-0.1	4.62
(g)European	35.9	38.2	+0.5	3.86
(g) Far East	45.7	48.9	+0.3	2.13
(g) Finan. & ITU	21.6	23.0	-0.1	3.77
*Gross Jan. 26	109.7	115.2	.....	3.71
(g) High Income	41.8	44.7	.....	9.18
(g) Inc. & Assets	23.1	24.6	-0.1	5.66
(g) International	23.2	24.7	+0.1	3.00
(g) Nth. American	38.6	40.6	+0.3	2.82
(g) Oil Nat. Res.	22.1	23.5	.....	5.31
Worldwide Feb. 13	69.6	74.4	.....	5.36

11, Austin Friars, EC2N 2ED

Cabot Jan. 28	68.1	72.5	.....	3.90

*For tax exempt funds only

Hill Samuel Unit Tst. Mgrs.♥ (a)
45 Beech St., EC2P 2LX 01-628 8011

(b) British Trust	128.8	137.8	-1.0	4.81
(g) Int'l. Trust	31.4	33.6	+0.1	2.87
(g) Dollar Trust	64.4	68.9	+0.5	2.77
(b) Capital Trust	24.3	26.0	-0.3	4.95
(b)Financial Tst.	80.0	85.6	-0.6	4.12
(b)Income Tst.	23.5	25.2	-0.1	5.93
(b)Security Trust	44.4	47.5	-0.2	4.93
(b)High Yield Tst.	23.4	25.3	-0.1	7.34

Intel♥ (a) (g)
15, Christopher Street, E.C.2. 01-247 7243

Intel. Inv. Fund	78.6	84.8	-0.9	4.40

Ionian Unit Tst. Mngmnt. Ltd.♥
64, Coleman Street, E.C.2. 01-638 5686

Ionian Foreign*	86.0	95.0	.....	2.34
Ionian Growth**	122.0	130.0	.....	4.16
*Ionian Inc. Fd.	85.0	90.8	.....	10.48

*Next dealing Mar. 11. **Mar. 4. Mar. 25.

Key Fund Managers Ltd. (a) (g)
25, Milk St., EC2V 8JE. 01-606 7070

Key Capital Fund	51.6	54.9	-0.3	4.46
Key Energy In.Fd.	53.3	56.7	-0.1	4.05
♦Key Exempt Fd.	82.3	87.6	.....	7.17
Key Income Fund	58.1	61.8	-0.2	7.38
Key P.I.F.	60.0	63.5	-0.4	4.71

Kleinwort Benson Unit Managers♥
20, Fenchurch St., E.C.3. 01-623 8000

K.B. Unit Fd. Inc.	60.4	65.6	.....	4.07
♦K.B. Unit Fd. Ac.	70.1	76.3	.....	4.07

L & C Unit Trust Management Ltd.♥
The Stock Exchange, EC2N 1HP. 01-588 2800

L&C Inc. Fd.	97.0	100.0	.....	8.50
L&C Intl. & Gen. Fd.	81.9	84.5	.....	2.49

Lawson Securities Ltd.♥(a)(c)(g)
63 George St., Edinburgh EH2 2JG. 031-226 3911

Scots Resources*	70.5	75.8	.....	3.72
(Accum. Units)*	72.4	77.8	.....	3.72
Gilt and Warrant††	29.9	32.3	.....	2.57
High Yield**	40.6	43.6	-0.2	11.51
(Accum. Units)**	47.1	50.6	-0.2	11.51
American Fd.‡	23.3	25.3	-0.8	2.30
(Accum. Units)‡	23.5	25.5	-0.8	2.30

*Tuesday. ††Wednesday. **Friday. ‡Thursday.

Legal & General Tyndall Fund♥
18, Canynge Road, Bristol.

Dis. Unit Feb. 11	46.6	49.2	.....	4.58
Acc. Unit Feb. 11	53.2	56.2	.....	4.58

Next sub. day Mar. 10.

Leonine Administration Ltd.
28 Throgmorton Street, EC2N 2AN 01-238 1171

Leo Cap. Fund	53.6	56.5	-0.2	7.01

Lloyds Bk. Unit Tst. Mngrs. Ltd.♥(a)
Registrar's Dept., Goring-by-Sea, Worthing, West Sussex. 01-623 1288

First (Balncd.)	41.0	44.0	+0.2	4.61
Do. (Accum.)	51.7	55.5	+0.2	4.61
Second (Cap.)	43.3	46.5	-0.1	3.55
Do. (Accum.)	51.1	54.9	-0.1	3.55
Third (Income)	67.3	72.3	-0.1	6.17
Do. (Accum.)	82.3	88.2	-0.1	6.17
Fourth (Exinc.)		50.0	.....	8.25
Do. (Accum.)		50.3	.....	8.25

Lloyd's Life Unit Tst. Mngrs. Ltd.
72-80, Gatehouse Rd., Aylesbury. 0296 5941

Equity Accum.	110.2	115.9	-3.1	5.66

London Wall♥(a)(g)
1, Finsbury Square, EC2A 1PD. 01-606 5811
Unit Dealing, 18, Canynge Rd., Bristol, BS99 7UA. 0272 32241

Capital Priority	57.3	61.3	-0.2	3.77
Extra Inc. Growth		25.0	.....	10.00
Do. Accum.		25.8	.....	10.08
Financial Pr'ty	13.4	14.4	-0.1	3.73
Do. (Accum.)	15.1	16.2	.....	3.73
High Inc. Priority	44.3	47.4	-0.1	6.89
London Wall Int.	25.8	27.6	+0.5	2.45
Special Sits.	18.0	19.2	-0.1	3.75
Stronghold Units	29.8	32.0	-0.3	4.54

ManuLife Management Ltd.♥
P.O. Box 21, Stevenage. 0438 56101

Growth Units	38.2	40.2	.....	3.82

Mercury Fund Managers Ltd.
30, Gresham St., EC2P 2EB. 01-600 4555

Merc. Gn. Mar. 3	120.0	127.7	.....	4.23
Acct. Units Mar. 3	144.9	154.2	.....	4.23
Merc. Int. Mar. 3	70.8	75.3	.....	2.70
Acc. Units Mar. 3	71.7	76.3	.....	2.70

Midland Bank Group Unit Tst. Mngrs. Ltd.
Courtwood House, Silver Street, Head, Sheffield, S1 3RD. Tel: 0742 79842

Commodity & Gen.	42.7	45.9	-0.5	7.28
Do. Accum.	43.7	47.0	-0.5	7.28
Growth	32.6	34.7	+0.1	2.55
Do. Accum.	33.2	35.3	.....	2.55
Capital	23.2	28.7	+0.1	2.97
Do. Accum.	23.7	25.2	.....	2.97
Income	36.9	39.2	-0.2	6.57
Do. Accum.	38.0	40.3	-0.1	6.57
International	43.1	45.9	+0.2	2.09
Do. Accum.	44.1	46.9	+0.3	2.09

Minster Fund Managers Ltd.
Minster Hse., Arthur St., E.C.4. 01-623 1050

Minster Fund	28.3	30.0	.....	4.52
Do. Exempt	70.3	74.3	.....	4.55

M & G Group ♥ (x) (c) (z)
Three Quays, Tower Hill, EC3R 6BQ 01-626 4588
See also Stock Exchange Dealings.

M & G General	133.7	141.7	-0.2	5.49
(Accum. Units)	188.0	199.3	-0.3	5.49
M & G Second	122.3	129.6	-0.3	5.06
(Accum. Units)	169.3	179.5	-0.4	5.06
M & G Midland	111.1	117.8	+0.2	6.74
(Accum. Units)	161.8	171.5	+0.1	6.74
M & G Dividend	89.8	95.2	+0.3	7.66
(Accum. Units)	148.6	157.5	+0.3	7.66
M & G Special	87.9	94.1	-0.3	4.68
(Accum. Units)	103.9	111.2	-0.4	4.68
M & G Magnum	174.5	183.2	-0.6	4.21
(Accum. Units)	205.4	215.7	-0.7	4.21
M & G F.I.T.S.	48.6	52.0	-0.5	3.87
(Accum. Units)	54.8	58.6	-0.6	3.87
M&G Compd. Acc.	73.4	77.8	-0.3	3.82
M&G Recov. Acc.	148.8	157.7	-0.7	6.56
M & G Extra Yield	64.0	67.8	-0.1	8.70
(Accum. Units)	73.7	78.1	-0.1	8.70
M & G Japan Acc.	107.3	114.3	+0.2	1.07
M&G Europ. Acc.	47.6	52.8	.....	3.56
M&G Amer. Acc.	38.3	40.8	+0.2	2.08
M&G Aust'sn Acc.	46.9	49.9	-0.4	3.38
M & G Far East'n	41.2	43.9	-1.0	3.04
(Accum. Units)	42.6	45.4	-0.9	3.04
M & G Trustee	110.1	116.2	.....	6.46
(Accum. Units)	186.4	196.7	.....	6.46
Charifund Mar. 2	123.0	124.9	.....	7.05
(Accum. Units)	124.8	126.7	.....	7.05
Pens'n Ex. Mar. 1	181.9	187.4	.....	5.82
M&G Conv. Gr'th	45.6	48.3	-0.1	2.83
Clyde General	56.2	59.6	-0.1	5.86
(Accum. Units)	71.4	75.7	-0.2	5.86
Clyde High Inc.	71.2	75.5	+0.1	8.89
(Accum. Units)	101.3	107.4	+0.2	8.89

INSURANCE, PROPERTY, BONDS

Abbey Life Assurance Co. Ltd.
1-3 St. Paul's Churchyard, EC4. 01-248 9111

Equity Fund	29.5	31.1	.....	—
Equity Acc.	23.6	24.9	.....	—
Property Fd.	117.4	123.6	.....	—
Property Acc.	114.7	120.8	.....	—
Selective Fund	67.1	70.7	.....	—

Chrthse. Japhet Life Ass. Co. Ltd.♥
1 Paternoster Row, EC4 01-248 3999

Energy Bonds	25.4	26.8	.....	—
Money Bd.	26.4	27.8	.....	—
Managed Bds.	33.4	35.2	.....	—
Equity Bds.	30.8	32.6	.....	—

REGIONAL MARKETS

LEADERS AND LAGGARDS

OFFSHORE AND OVERSEAS FUNDS

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

1975/6 High	Low	Stock	$	+ or −	Div. Gross	Cvr	Y'ld Gr's
13¾	870p	Bk. Montreal $2	11¾	......	96c	—	3.9
25⅛	24¼	Bk. Nova Scot. $2	29⅝	+⅛	$1.60	—	2.6
37⅝	29½	Bell Canada 25c	33¾	......	$3.44	—	4.9
15¼	700p	Bow Valley‖	12½	+½	10c	—	0.4
10⅛	720p	Brascan‖	900p	......	s$1.00	—	5.3
22¼	15¾	Can.Imp.Bk. $2	19⅞	−⅞	$1.28	—	3.1
13⅝	945p	Can.Pacific $5	12⅛	+¼	84½c	—	3.3
29¼	22½	Do. 4pc Deb £100	28½	......	4%	—	14.0
24⅞	17⅛	Gulf Oil Can.‖	22¼xd	......	$1.00	—	2.1
670p	230p	Hawker Sid. Can.‖	580p	+20	36c	—	3.0
28	16⅛	Hollinger $5	23⅛	+⅛	$1.80	—	3.6
14¾	825p	Hudson's Bay ‖	13¼	−¼	60c	—	2.1
32¼	12¾	Hud.B.Oil G. $2½	27⅛	−⅛	$1.40	—	2.4
22¾	16	Imperial Oil‖	17⅛xd	−⅛	80c	—	2.2
770p	464p	Int. Nat. Gas $1	680pxd	......	80c	—	5.6
25¾	14½	Int. Nickel ‖	22⅛xd	+½	$1.40	—	3.0
23¼	970p	Massey Ferg.‖	21	+1⅛	$1.00	—	2.3
25½	980p	Pacific Pet. $1	21½	......	80c	—	1.8
32p	11½p	Place Gas $1	24½p	+½	—	—	—
39½	13¾	Rio Algom	24¾	−⅛	$1.00	—	1.9
24¾	13	Royal Bk. Can. $2	21⅛	−⅛	$1.28	—	2.9
26⅞	19	Seagram Co. C$1	21xc	−⅛	80c	—	1.9
17¼	11¼	Tor. Dom. Bk. $1	13⅝	−⅛	70c	—	2.4
10½	600p	Trans. Can. Pipe $2½c	880p	......	72c	—	3.9
790p	515p	White Pass	680pxd	......	‡35c	—	2.5

S.E. List Premium 46⅞% (based on $1.9961 per £)

††BANKS AND HIRE PURCHASE

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
290	135	Alexanders D. £1	233	+3	11.67	—	7.7	—
£114	£67	Algemene Fl.100	£97	+1	‡Q21%	1.8	3.9	15.2
430	190	Allen Harvey £1	455	+5	25.0	—	8.6	—
142	45	Allied Irish	112	−6	Q25%	—	5.6	—
77	14	Anglo Contl	53	......	—	—	—	21.3
195	95	Arbuthnot L. £1	185	−5	†7.61	—	6.3	—
645	170	Aust. & N.Z. $1	383	−5	9.7	—	3.9	—

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

[illegible]

††INSURANCE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS—Continued

[illegible]

Finance, Land, etc.

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

MINES—Continued

FAR WEST RAND

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£11	425	Blyvoor 25	425	−25	†Q100c	1.3	‡
£21½	£9⅝	Buffels R1	£9⅝	−½	Q180c	1.4	10.4
430	124	Doornkraal R0.10	124	......	—	—	—
£14¼	430	Doornfontein R1	430	−30	†Q110c	1.4	‡
£12¾	660	East Drie R1	660	−40	Q75c	ϕ	6.3
380	160	Elandsr'd Gld Mng 20c	160	−20	—	—	—
450	130	Elsburg R1	130	......	Q33.8c	ϕ	14.4
£31	£12	Hartebeest R1	£12	−¼	Q215c	1.4	9.9
£13¾	460	Kloof Gold R1	460	−30	Q55c	1.4	6.6
£17¼	450	Libanon R1	450	−20	†Q120c	1.9	‡
£13¾	335	Southvaal 50c	335	−20	Q8c	ϕ	1.3
480	160	Stilfontein 50c	160	−10	Q30c	ϕ	12.4
£33¼	£14½	Vaal Reefs 50c	£14½	−¼	Q175c	ϕ	6.7
£11½	240	Venterspost R1	240	−15	‡Q70c	1.9	‡
£55	£21¾	W. Drie R1	£21¾	−2¼	†Q345c	1.2	†
745	195	W'st'rn Areas R1	195	−10	Q52c	ϕ	14.7
£23	£10	Western Deep R2	£10	−¾	Q[illegible]c	ϕ	8.1
536	202	Zandpan R1	202	−8	Q35¼c	1.0	9.8

O.F.S.

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
400	75	Fr. State Dev. 50c	75	−10	Q14c	1.6	10.3
£32¾	£16½	F.S. Geduld 50c	£16½	−¾	330c	1.3	11.1
265	67	F.S. Saaiplaas R1	67	−5	7½c	2.6	5.9
960	345	Harmony 50c	345	−20	Q77c	1.8	12.3
575	88	Loraine R1	83	−2	Q6c	0.5	3.6
£28¾	£13½	Pres. Brand 50c	£13½	−1	Q250c	1.3	10.2
£25¾	825	Pres. Steyn 50c	825	−37½	Q125c	2.2	8.5
£39¾	£16¼	St. Helena R1	£16¼	−¾	Q250c	1.2	8.5
340	105	Unisel	105	−1	—	—	—
525	245	Welkom 50c	290	−10	Q55c	1.7	10.9
£40	£21¾	W. Holdings 50c	£21¾	......	Q475c	1.2	13.0

FINANCE

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
520	237	Ang. Amer. 10c	237	−20	Q33c	ϕ	8.0
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

[illegible]

MISCELLANEOUS

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
10	3	Burma Mine 17½p	9	......	m0.5	—	1.5
65	17	Charter Hall 5p	23	......	—	—	—
690	360	Cons. Murch. 10c	580	......	Q50c	ϕ	7.5
53½	29½	Lasrasa	33½	+1½	—	—	—
470	200	Northgate C$1	360	−5	‡Q25c	2.0	3.3
211	80	R.T.Z.	179	......	g5.51	4.4	4.7
135	47½	Sabina Inds. C$1	95	−2	—	—	—
81	45	Stanford Mineral	45	......	—	—	—
£12½	874	Tara Exptn. $1	£10	−½	—	—	—
122	38	Yukon Cons. C$1	100	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- • "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance reserve allocations may preclude calculation of dividend cover.
- ¤ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim, reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ‖ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ψ Excluding a final dividend declaration.
- ✦ Regional price.
- ¶ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 21

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £325 per annum for each security

FINANCIAL TIMES

Thursday March 4 1976

Chrysler to present productivity plan

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

A COMPREHENSIVE plan to establish a simplified wages structure and a detailed productivity agreement will be put forward by Chrysler U.K. at its first official meeting to discuss its planning agreement with the Government.

The meeting, between Department of Industry officials, the company's management and the unions, has been fixed for March 15.

Some elements of what will eventually go into the planning agreement, such as Chrysler's forward model programme, and employment levels, have already been outlined in the documents setting out the terms of the Government rescue. But the company now wants to establish more precise commitments on such matters as production targets.

Chrysler will also be reviving the ambitious employees' participation scheme, which was cut short at an early stage of negotiations by the company's financial crisis, for inclusion in the planning agreement.

The scheme involves the offer of two trade union seats on the main Board, and two similar posts on the central policy-making operations committee.

So far the unions have been relatively lukewarm to the idea of Board representation. But the offer of positions on the operations committee goes far beyond most current participation plans, and would give the unions a much closer role in decision-making than in the British Leyland scheme.

There is a strong possibility that yet another senior trade union figure will also be given a place on the Chrysler Board. Under the terms of the rescue agreement the Government has the right to nominate two Board members, and it is believed that one of these will come from the unions.

Chrysler's anxiety to press ahead with its planning agreement emerged yesterday after its senior managers, appearing at the Commons' Trade and Industry Sub-Committee inquiry into the rescue deal, had complained about the continuing exposure the company's problems were being given by the committee's activities.

"We have been on stage now under public scrutiny for an inordinate length of time," said Mr. Gilbert Hunt, Chrysler U.K. cairman.

Mr. Pat Duffy (Lab., Attercliffe), the committee chairman, had earlier apologised for the pressure the inquiry was imposing on the company. "I hope you will not regard the atmosphere of our committee as that of a court room," he said.

The committee had no intention of hindering the regeneration of the company by its investigation. But it was concerned with the implications of Government investment in private industry and "we hold the view that acceptance of public funds involves a degree of public scrutiny."

The Chrysler management team is to appear again next week.

State support urged for bank loans to industry

BY MICHAEL BLANDEN

A SCHEME for banks to receive Government support to provide cheap medium-term loans for industry was put forward yesterday by Sir Charles Villiers, chairman of the Guinness Mahon merchant banking group.

Speaking at a Financial Times conference, Sir Charles proposed the establishment of an "Investment Guarantee for Industry." He argued that the scheme would make large amounts of money available for industry while retaining the business in the banks, ensuring the safety of depositors' money and keeping the use of public funds to a minimum.

Official support was also given at the conference, for the proposals being discussed in the City for the establishment of a new "equity bank" to channel institutional funds into industry.

Mr. Stanley Clinton Davis, Parliamentary Under-Secretary at the Department of Trade, welcomed the establishment of a working party on the subject, and hoped that it would "not be deflected from its purpose by what I consider to be the short-sighted opposition which has emerged in some quarters."

He hoped that the size of the operation would not be reduced, and looked forward to the results with "a measure of optimism."

'Casino'

The scheme proposed by Sir Charles would be parallel to the service provided for exports by the Export Credits Guarantee Department. He suggested that the Department of Industry, with advice from the relevant industry Little Neddy, should grant investment guarantees for medium-term loans (for three to seven years) to finance increased capacity or plant renewal to increase exports or for import substitution.

With the guarantee, the banks would lend at a concessionary rate of 7½ per cent.—as for ECGD finance—with the Government giving an interest supplement to bring their return up to market levels. If the return to the banks were 1 per cent. over base rate at present, the Government would give a 3 per cent. supplement costing £30m. for every £1bn invested.

Sir Charles also argued that the proposed equity bank—known as Equity Investment Limited—could do the job of correcting the malfunction of the markets better than Government intervention. He criticised the unwillingness of institutional investors to exercise their duties and suggested that the short-term "casino" attitude to shares was damaging to industry.

Stewart Fleming writes: Mr. Clinton Davis's support for the equity bank concept comes at a point when discussions within the inistitutional working party have reached an advanced stage. It is understood that within the past few weeks the working party has been less active.

The Governor of the Bank of England, Mr. Gordon Richardson, has however been engaged in taking his own soundings on the working party's latest proposals. In particular he has been engaged in discussions with those leading institutional shareholders who appear either to have the deepest reservations about the proposed equity bank or have indicated their opposition to the scheme.

There are some indications that these discussions have been progressing well, although it is not anticipated that an immediate announcement to go ahead with the equity bank can be expected. First, a final decision will have to be taken as to whether there is enough support to ensure that an equity bank—on a more modest scale than was at one stage envisaged—can be launched successfully.

Those involved in establishing an equity bank would clearly be reluctant to see an organisation set up which, like the Institutional Shareholders Committee, lacked the effective support of its backers and therefore fell short of its objectives.

Conference Report Page 10

THE LEX COLUMN

Question marks at Cavenham

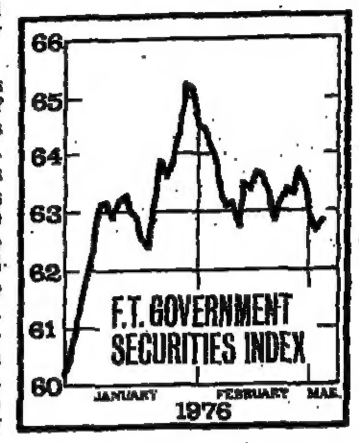
The first point to make about Cavenham's roundabout takeover of the outstanding minority in Générale Alimentaire is that the bidder has taken independent advice on the terms from Samuel Montagu. The second is that the deal has to be approved by Cavenham's shareholders and Mr. Goldsmith's master company, Générale Occidentale, will not be voting either way with its beneficial holding of 39 per cent. at the EGM. Finally, the truth is that GO already has effective control of Cavenham, and the fact that its holding stands to rise to over 50 per cent. as a result of this deal may not make much real difference. Cavenham actually claims that it is coincidental.

All the same the proposals still require a great deal of explanation. GO, which is owned as to a third by Mr. Goldsmith and his associates and a tenth by Hambros, is making an equity bid for the 19 per cent. of GA held by the general public at around Frs.95 per share, which capitalises the whole company at around £40m. Cavenham currently has a beneficial interest of 58 per cent. in GA, and will get 100 per cent. by handing 20m. shares over to GO. This represents a price of around Frs.120 per GA share, or roughly £26m. The snap conclusion is that GO is taking a fat turn on the deal.

However, the group insists this is not the case, and that GO has actually taken a loss on its overall investment in GA. It adds that the bid terms have been determined by independent assessors appointed in accordance with the law of France, where stock market prices do not play nearly so important a part in fixing takeover terms as they do in the U.K. It says that the deal makes sense at a time when GA is performing well and has substantial cash balances, and that it will secure Cavenham's major foothold on the Continent.

But although reorganisation has apparently transformed GA's business since 1974-75, when it earned something like £4m., the deal seems very likely to have a modestly adverse impact on Cavenham's earnings per share. Whatever the practice may be in France, stock market prices matter very much indeed in U.K. takeovers, and all the more so in this kind of inter-company transaction involving a company of Cavenham's importance. Finally, Cavenham's wheeling and dealing seems to be a costly business: for instance, the expenses incurred in increasing its stake in Grand Union together with the reorganisation of its U.S. finances (part of which have been taken on by a GO subsidiary) amounted to £1.7m. So the full details of this latest transaction are going to make fascinating reading.

Index fell 4.4 to 402.7



Companies Bill

The new mini-Companies Bill goes some way towards clarifying the rights and duties of auditors who get involved in quarrels with their client companies. In particular, an auditor will not now be able to resign quietly without stating that there are no circumstances which should be brought to the notice of shareholders or creditors.

This question was highlighted by the inspectors' report into Pinnock Finance, the deposit-taking group which crashed in 1967. As early as 1961 the auditor, Mr. P. Ellison, had become dissatisfied with the accounts—indeed, he thought it possible the company was insolvent even at that stage—and he resigned in 1962. That permitted the appointment of a man the inspectors described as a "tame" auditor. The inspectors pointed out that had Mr. Ellison stayed in office and qualified the accounts the magnitude of the eventual failure would probably have been smaller—but they respected his decision, on legal advice, to resign.

A further clause in ... Bill gives a resigning ... the right to ask for a ... of the company to con... reasons, a provision wh... to mind the controversy ... over the replacement o... Waterhouse by Pann... patrick as auditors of ... Holdings (now Bar... Dobson). Price Water... gested the calling of a ... meeting at which sha... could be expressly ... appoint Pannell Fitz... the Board of S and K... Shareholders did ... approve the change of ... at the annual meeting ... months later.

That case, and the ... Manganese Bronze whe... Honeyman were repla... Binder Hamlyn at the ... 1974, showed that audi... are willing to stand up ... are already able to ... case over. The new Bill ... make it still easier for ... communicate the details ... ments to shareholders ... much will continue to ... on the combative insti... the individual auditor. ... auditors are nowadays ... readier to qualify accou... they were in 1962—altho... the same token a qualific... much less of a stigma ... company.

Lonrho/Lubok

Lonrho can never be a... of being slow off the ma... Monday the annual m... approved an increase i... authorised capital (whic... previously been almost us... and now the group has p... up with an all-paper bid ... £3.8m. for Lubok, once M... Slater's "Friday" com... Lonrho's share price has ... suffering recently because ... involvement in southern ... and it is hardly going ... many new friends given L... interest in the area. Mo... the offer is worth 16p a ... compared with the last di... asset value of 12½p—with ... obvious goodwill around ... this is, of course, a lon... from last summer's share ... high of 43p, but after ... twice into the limelight ... short time in the last de... previously in the late 1... there is not going to be ... mourning over the fina... appearance of Lubok.

Cautious OECD view on French recovery

BY ROBERT MAUTHNER

PARIS, March 3.

THE OECD Secretariat indicated to-day that it took a much more cautious view of the prospects for a recovery of the French economy than was implied by the French Government's own optimistic forecasts. While its annual survey of the French economy recognises that there were strong signs of an upturn at the end of last year, thanks mainly to the Government's successive reflationary packages, the Secretariat doubts whether the revival can be sustained.

The picture emerging from the OECD forecasts is, in the report's own words, "one in which the recession gradually comes to a halt, but no strong upturn in activity ensues."

Although growth is expected to recover to 3 per cent. in the current year after a negative rate of 2 per cent. in 1975, this still falls considerably short of the official French forecast of 4.5 per cent. OECD officials were quick to say that even if the Government's growth target were attained this would be insufficient to absorb the high number of unemployed, which will be swollen by a further 800,000 young workers in search of jobs in summer and autumn. Unemployment, about 1m. now, is expected to rise to about 1.2m. by the end of the year.

Inflation is likely to remain a major problem, and again the OECD's estimates are markedly more pessimistic than those of the French Finance Ministry. While M. Jean-Pierre Fourcade, the Finance Minister, seeks to cut price rises from 9.6 per cent. last year to between 7 and 8 per cent. in 1976, the OECD economists believe that the figure will be nearer 11 per cent.

Nor, in spite of indications that order books are beginning to fill up and the fact that stocks have been rapidly run down over the last year, does the OECD believe there will be a significant upturn in private investment this year.

The picture painted of France's trade and payments position in the current year, though by no means disastrous, is not very bright either. The report emphasises that last year's major achievement of a large trade surplus of Frs.7bn. was due almost entirely to a drop in imports, and that there were no appreciable gains in French shares of export markets.

The upward trend in French domestic prices will probably preclude gains this year either, though exports might increase by 3 per cent. in volume terms.

While it does not advise the French Government to renew the comprehensive aid given to private investment in 1975, the Secretariat suggests that further efforts could be made to stimulate productive investment by public enterprises. In private consumption, steps to stimulate demand of less well-off categories could also be taken.

Two killed as police fire on Basques

By Roger Matthews

MADRID, March 3.

TWO PEOPLE were shot dead and at least 20 injured, five seriously, during serious clashes to-night between riot police and demonstrating workers in the Northern Basque town of Vitoria. This increased violence could eventually have important repercussions on the political evolution of Spain.

Semi-official sources claimed that police were forced to open fire when they were surrounded and threatened by demonstrators. Six days ago police shot and killed an office clerk in a demonstration near the southern holiday town of Alicante.

Reports from Vitoria said that throughout the day large forces of riot police had confronted workers who were answering a call for a general strike in the city. Virtually all factories were shut with many bars, restaurants and shops also closing their doors.

Demonstrators threw up barricades, dragged cars across central streets and threw stones at the police who initially retaliated with tear gas, rubber bullets and baton charges.

Eye-witnesses said police chased one very large group of demonstrators into a church and then fired tear gas into the building. One of the dead is said to have ben shot outside the main doors of the church.

Sr. Fraga Iribarne, Interior Minister, who is responsible for internal security, left to-day for a three-day visit to West Germany. Hard-liners within the regime are likely to try and put part of the blame for to-day's events on him, because of his relative "laxity" in dealing with what these people consider are "subversive" elements.

Assurance by Carlos on referendum, Page 6

Canadians sign on Aston Martin

ASTON MARTIN, the revived luxury car company, has been asked by a specialist Canadian car company to help in assessing a sports car for the American market.

The Canadian company is Bricklin, at St. John, New Brunswick, which makes a "gull wing" sports car, launched in 1974. Its probable market target is 5,000 cars a year.

Aston Martin resumed full production at Newport Pagnell, Bucks., this week. Mr. Fred Hartley, its director and general manager, said a Bricklin vehicle was being shipped from Canada to arrive in Liverpool to-day.

Aston would carry out tests and evaluations at Newport Pagnell and at the Motor Industry Research Association.

He also said the company had discussed increasing exports by supplying components and parts for Bricklin production in Canada.

Lonrho bid for Lubok

BY MARGARET REID

MR. JIM SLATER will collect consideration worth £427,000 for his 2.67m. shares in Lubok Investments, of which he was formerly chairman, under an agreed £3.86m. take-over for the company from Lonrho, the group with African industrial and mining interests.

Interest in a possible bid has been evident from more than one quarter. Lubok, in which Mr. Slater took substantial personal interests in 1974, has considerable African assets.

Mr. Jimmy Goldsmith took over from Mr. Slater as chairman of Lubok, and of Slater Walker Securities, last October. He was then asked to arrange for the disposal of Mr. Slater's remaining Lubok shares, 2.26m. of which had been sold for £¾m. in September. A take-over was envisaged as the best method of securing the sale of this sizeable holding in the company, which has been much slimmed down since Mr. Goldsmith took over.

The bid now agreed, which is worth 16p for each Lubok share, compared with 10½p last night, is on the basis of 16 Lonrho shares, ex the 1-for-5 scrip issue, for every 100 Lubok shares. Holders of the convertible loan stock will receive 365 Lonrho shares for each £400 nominal of stock, worth £87.45 per £100 nominal. The new Lonrho shares will not rank for the scrip issue nor for the 1974-75 final dividend. Lonrho shares closed at 120p xd yesterday.

In January Mr. Slater's 2m. shares in SWS were sold to family interests of Mr. Goldsmith for £460,000. County Bank has advised the Lubok Board. There will be no reference to the Monopolies Commission.

Factories to be built on moors

PLANNING PERMISSION for an industrial estate on 356 acres of moorland near Ebbw Vale has been granted by Mr. John Morris, the Secretary for Wales, despite a recommendation by a public inquiry inspector that it be turned down.

Continued from Page 1

Mozambique closes border

South Africa and Mozambique have been good since the former Portuguese colony achieved independence. Some 100,000 workers from Mozambique still work in South African mines.

South Africa must now decide whether, and how far, to respond to appeals for help from Salisbury (which it may be under some internal pressure to do), or pursue its faltering policy of detente with black regimes. Diplomatic observers in Pretoria were last night predicting that Mr. Vorster, the South African Prime Minister, may decide to compromise and offer Rhodesia some help without advertising it.

Meanwhile the move seems certain to result in a further escalation of the guerilla war along Rhodesia's eastern border. Rhodesia lacks the manpower to patrol this 620-mile border at all adequately. Estimates in Salisbury suggest there are 2,000 to 3,000 guerillas in camps along the border, with another 8,000 in training elsewhere.

Tony Hawkins writes from Salisbury: In the first official Rhodesian Government reaction to the announcement, Mr. Pieter Van Der Byl, Minister of Defence, virtually ignored the border closure situation itself and concentrated on claims that the Press had distorted the Machel statement so as to make it sound like a declaration of war.

This, he said, was part of the "diabolical psychological war" against Rhodesia which was being waged by the country's enemies who had found that Rhodesia was "too hard a nut to crack in any other way."

The decision to put the Minister of Defence on radio and television to comment on the border closure rather than either the Prime Minister or an "economic" minister fits in with the general policy of playing down the whole affair. The border closure had come as "no great surprise" and had been expected ever since Mozambique become independent last June. It would inconvenience Rhodesia, said Mr. Van Der Byl, but President Machel would find it "ultimately infinitely more harmful to him."

The Defence Minister said Rhodesia had "from time to time" entered Mozambique in hot pursuit of terrorists who were sheltered, fed, clothed and armed there by Frelimo. This was a time-honoured practice, he said, used by the Israelis and by the Americans in Cambodia.

Mr. Joshua Nkomo, leader of one wing of the African National Council, said he was not surprised by the move since Rhodesia was "an international pariah."

Mining shares lose ground

IN LONDON African mining shares generally lost further ground yesterday under persistent and, at times, quite heavy selling. There was little sign of a rally in the final dealings although some U.S. interest was seen in De Beers which closed 5p down at 198p, a far cry from its 1975/76 high of 335p—recorded last January.

Of the few companies with the major part of their interests in Rhodesia, Coronation Syndicate dropped 18p to 80p but Rhodesian Corporation were unchanged at 15p. South African issues bore the brunt of the selling and in Golds falls ranged to £2¼ as in West Driefontein at £21½.

The London-based Mining Finance issues, such as Rio Tinto-Zinc and Selection Trust, which have the bulk of their assets outside Africa, held up well. But the African-orientated stocks were hard hit.

Since February 12 the FT-Actuaries Mining Finance index has fallen 20.5 per cent. to 86.18. Over the same period, the Gold Mines index (down 9.7 to 164.0 yesterday) has dropped 26 per cent. These losses contrast with a 2.7 rise in the FT 30-share Industrial Ordinary Index.

Prices of Eurobond issues by South African borrowers also fell sharply yesterday. Indications at the close for the Republic of South Africa's recent $25m. 9¾ per cent. five-year issue were 92½/4½, against 95½/6½ last Friday and an issue price of 98.

Jenkins calls for radical reforms 'to save freedom'

BY PHILIP RAWSTORNE

BRITAIN'S system of government needed radical reform if human rights and liberties were to be safeguarded, Mr. Roy Jenkins, Home Secretary, said yesterday.

The strains being imposed on Ministers and MPs were now so immense that they threatened effective and democratic government, he told the International Press Institute in London.

The "unpleasant reality" was that the civil service's capacity to respond to the demands of Government, Parliament and public would be further reduced by the public expenditure controls unless the functions of departments were curtailed.

Mr. Jenkins reiterated his support for the curbs on public spending with a vigour which annoyed Left-wing MPs at Westminster.

He stood four square with the Chancellor on economic, social and libertarian grounds. "There are many areas of public service where it is hard to see that the massive growth in public expenditure has resulted in a clear gain.

"Unemployment and social squalor follow inevitably from the inflationary consequences of uncontrolled accelerating public spending. And I do not believe that you can push public expenditure beyond a reasonable limit and still maintain the values of a plural society with adequate freedom of choice. A balance has to be maintained between fair shares and free consumer choice—a balance which is vital to the protection of basic human rights."

But Mr. Jenkins said: "I have no doubt that the successful settlement of the constitutional future of Scotland, Wales and Northern Ireland is as important to the future of our country as the successful management of the economy.

"I also believe that it is essential to diagnose the causes of the present widespread discontent with our general structure and system of government and to give priority to a programme of adequate reform."

Whatever changes might follow the review of Parliamentary procedures, the question would remain whether the House of Commons alone could carry the weight of its present responsibilities as the clearing house for all legislation and the airing of all grievances.

"I do not think that it makes sense in such a situation to be jealously possessive if the burden is shared with other assemblies and executives whether elsewhere in the U.K. or in the European Community."

Promising a discussion paper on a new law of citizenship before the summer, Mr. Jenkins and that there was evidence of a growing detachment from the electoral and party political system.

The "popular will to freedom" was eroded when people became apathetic in the face of the increasing size and apparent remoteness of central Government and the declining power of Parliament.

Editorial comment, Page 18

Weather

U.K. TO-DAY

DRY with bright periods. Some rain in Scotland.

London, E., S.E. and N.E. England, E. Anglia, Borders, Edinburgh, Dundee Aberdeen

Cloudy bright spells, later. Wind S.E., moderate. Max. 9C (48F).

N.W., S.W. and Cent. England, Midlands, Channel Is., Wales, Lakes, I. of Man, S.W. Scotland, Glasgow

Bright spells. Wind S, moderate or fresh.

Cent. Highlands Moray Firth, N.E. and N.W. Scotland, Argyll, Orkney, Shetland, N. Ireland

Some rain or drizzle. Wind S, fresh or strong. Max. 8C (46F).

Outlook: Mostly dry and mild

Lighting-up: London 18.16, Manchester 18.22, Glasgow 18.27, Belfast 18.35.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Amstrdm.	S	6	43	Manchester	S	9	48
Athens	S	16	61	Melbourne	C	23	73
Bahrain	S	16	61	Mexico C.	S	21	70
Barcelona	S	14	57	Milan	C	8	46
Belfast	S	9	48	Montreal	Sn	−2	28
Belgrade	C	6	43	Moscow	Sn	0	32
Berlin	S	5	41	Munich	S	6	43
Birmghm.	S	7	45	Newcastle	C	5	41
Bristol	S	11	52	New York	R	2	36
Brussels	S	8	46	Oslo	S	5	41
Budapest	F	6	43	Paris	S	11	52
B. Aires	C	25	77	Perth	S	30	86
Cairo	S	19	66	Prague	S	4	39
Cardiff	S	7	45	Reykjavik	Sl	3	37
Cologne	S	8	46	Rio de J'o	S	35	95
Copnhagn.	S	−3	27	Rome	F	14	57
Dublin	S	9	48	Singapore	S	31	88
Edinb'rgh	S	9	48	Stockholm	S	1	34
Frankfurt	S	7	45	Strasb'rg	S	9	48
Geneva	S	8	46	Sydney	R	20	68
Glasgow	S	8	46	Tehran	S	2	36
Helsinki	S	−3	27	Tel Aviv	S	15	59
Hong Kong	S	17	63	Tokyo	C	7	45
Jo'burg	C	24	75	Toronto	Sn	−2	28
Lisbon	S	13	55	Vienna	S	6	43
London	S	9	48	Warsaw	F	3	37
Luxemb'g	S	7	45	Zurich	S	8	46
Madrid	S	13	55				

HOLIDAY RESORTS

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Ajaccio	S	13	55	Jersey	S	10	50
Algiers	S	17	63	Las Plms.	F	18	64
Biarritz	S	11	52	Locarno	S	10	50
Blackpool	S	9	48	Majorca	S	16	61
Bordeaux	S	15	59	Malaga	S	16	61
Boulogne	S	8	46	Malta	C	14	57
Casablnca.	C	20	68	Nairobi	C	21	70
Cape Town	S	25	77	Naples	S	16	61
Corfu	F	15	59	Nassau	S	25	77
Dubrovnik	S	14	57	Nice	S	15	59
Faro	C	14	57	Nicosia	S	17	63
Florence	S	14	57	Oporto	S	17	63
Funchal	F	15	59	Rhodes	F	15	59
Gibraltar	C	16	61	Salzburg	S	8	46
Guernsey	S	9	48	Tangier	C	16	61
Innsbruck	S	10	50	Tenerife	Dz	10	50
Inverness	F	8	46	Tunis	C	15	59
I. of Man	S	7	45	Valencia	S	15	59
Istanbul	F	10	50	Venice	S	11	52

S—Sunny. F—Fair. C—Cloudy. R—Rain. Dz—Drizzle. Sl—Sleet. Sn—Snow.

Snow reports, Page 11

Registered at the Post Office. Printed by St. Clements Press Ltd. for and published by the Financial Times Ltd., Bracken House, Cannon Street, London EC4P 4BY. © The Financial Times Ltd.